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# FINANCIAL TIMES

No. 26,672 Wednesday May 21 1975

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## NEWS SUMMARY

### GENERAL

## Absentee MP plans return

Mr. John Stonehouse, the absentee Labour MP for Walsall North, plans to attend meetings called by his constituency party on June 11 and 13, to discuss his future.

In a letter to the local party chairman, he says he is confident that when his side of the story is heard, the selection of a new candidate will be unnecessary.

Mr. Stonehouse is at present in Melbourne facing extradition proceedings. Six new fraud, forgery and theft charges have been added to the 15 he faced in court on May 2. Proceedings are due to be resumed on May 26.

Yesterday, a question from Mr. Stonehouse appeared on the Commons order paper asking Mr. Healey how *much* money could be saved by cutting the number of civil servants by 20 per cent.

This was seen by many MPs as a delaying tactic, since the select committee recommended expulsion largely on the grounds that he had abandoned his Parliamentary duties. Page 10.

### Lisbon Ministry 'powerless'

The Portugal Information Ministry yesterday declared it had no power to intervene in the closure of the Socialist newspaper Republica after military occupation. Relations between the military and political parties are to be discussed by the General Assembly within a week. Page 6

### Geneva moves by U.S. and Russia

U.S. Secretary of State Dr. Kissinger and Soviet Foreign Minister Mr. Gromyko agreed yesterday to try to co-operate on a workable framework for a resumed—but belated—Geneva conference on the Middle East. Page 7

### Writ for Guardian

Solicitors yesterday issued libel writs on behalf of Mr. Robert Lindsay, Mr. Wayne Rathwell and Centri-Spray in respect of an article which appeared on the front page of the Guardian.

Injunctions were granted restraining the defendants—Guardian Newspapers, editor Mr. Alistair Hetherington, and reporter Mr. Peter Hillmore and Mr. Charles Cook—from publishing further words defamatory of Mr. Lindsay, Mr. Rathwell or Centri-Spray pending the hearing on Friday.

### Close control

Casting vote of the retiring Lord Mayor retained Labour's overall control of Birmingham District Council. *Labour's 63 seats are* equalled by the combined Conservatives and Liberal *opposition.* The retiring Labour incumbent voted for the Labour Mayoral candidate.

### More for students

Student grants are to go up 22 per cent. to £740 a year in October, adding about £44m. to the current public bill of £200m. a year. Page 2

### Name dropping

Middle Class Association is changing its name to the Voice of the Independent Centre, because the title has proved a hindrance to recruiting.

### Like father . . .

Mr. Douglas Hogg, Lord Hailsham's 30-year-old son, is one of four short listed as Conservative candidate for the marginal Oxford seat, held by his father from 1938 to 1950.

### Briefly . . .

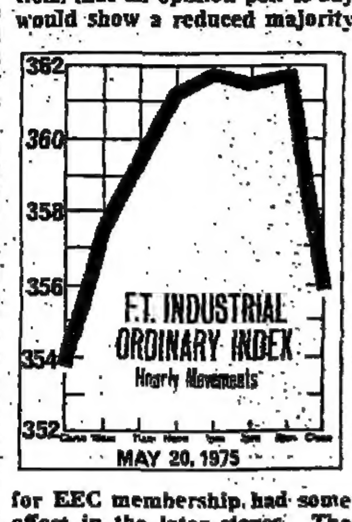
Four people were killed and eight others injured when a mini-bus and a lorry crashed head on in Harthill, Lanarkshire.

Crew of a Cambodian gunboat, said to have been involved in the Mayaguez incident, has sought asylum in Thailand. Page 5

### BUSINESS

## Equities rise to year's peak

● EQUITIES had a further all-round advance, though suggestions that an opinion poll to-day would show a reduced majority for EEC membership had some effect in the later stages. The Index closed 2.1 up at 355.9, a new peak for the year and highest since December 1973.




● GILTS were quiet. Some activity in shorts was at first stimulated by the U.S. Treasury bill rates reduction, but gains were down to ¼ at the close. Mediums and longs closed at overnight levels.

● THE £ was up 5 points at $2.40. Its weighted fall was 25.0 (25.0) per cent. and the dollar's 6.77 (6.60) per cent.

● GOLD was down $1 to $167¼.

● WALL STREET closed at 830.49, off 7.20, its lowest since the end of April.

● PAYMASTER GENERAL Edmund Dell said foreign lenders would withdraw their money from the U.K. if the country did not "come to grips with inflation." He added: "The Government must bring public expenditure under better control." Back Page

● AMERICAN GNP FALL was revised from annual rate of 10.4 per cent. to 11.3 per cent.—showing that the U.S. recession was deeper in the first quarter than previously thought, said the U.S. Commerce Department.

### Murray warns unions

● MR. LEN MURRAY, TUC general secretary, told trade unionists they would be the sufferers if they broke the social contract. On the "growing view that 30 per cent. is the going rate" he said "in that direction lies trouble, danger *for* our society and for our class." Page 9

● UNIT TRUST gross sales showed a substantial rise last month at £33.9m. (£27.1m. in March). Back Page

● EEC MEMBERSHIP has not involved a heavy cost to the balance of payments or to the cost of living, claims a report by the National Institute of Economic and Social Research. Back Page Page 11

● PAN AMERICAN'S dispute with the U.K. over its commission levels paid to travel agents is the subject of talks starting in Washington to-day between the Department of Trade and the U.S. State Department. Page 8

● COSTA RICA accused three major U.S. fruit importers of conspiring to create an illicit fund to "destabilise and discredit" six Central American States by preventing their raising banana export taxes.

● EVER READY showed year's net profit of £6.343m. (£6.374m.) and announced plans to raise £8.4m. by a rights issue. Page 25, Lex Back Page

● WOOLWORTH had first quarter net profit of £2.396m. (£2.248m.). Page 25, Lex Back Page

## CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

**RISES**

| | | |
|---|---|---|
| Assoc. Newspapers | 115 | + 7 |
| Aust. & N.Z. Bk. | 420 | + 20 |
| Bank of Scotland | 260 | + 15 |
| Barclays Bank | 295 | + 10 |
| Berkeley Hambro. | 183 | + 10 |
| Berisford (S. & W.) | 164 | + 9 |
| Bridon | 164 | + 10 |
| Broken Hill Prop. | 665 | + 35 |
| Dowty | 112 | + 7 |
| Ever Ready | 93 | + 8 |
| Finlay (Jas.) | 150 | + 10 |
| Furness Withy | 214 | + 9 |
| Hanson Trust | 159 | + 7 |
| Hawkins & Tipson | 77 | + 6 |
| Intl. Paint | 335 | + 7 |
| Johnson Matthey | 302 | + 17 |
| Kleeman Ind. | 190 | + 20 |
| Laing (J.) 'A' | 162 | + 8 |
| Lucas Inds. | 129 | + 7 |
| Lyons (J.) 'A' | 174 | + 12 |
| RHP | 66 | + 4 |
| Rentokil | 74 | + 7 |
| Sunley (B.) | 160 | + 7 |
| Taylor Woodrow | 314 | + 14 |
| Teacher (Distillers) | 182 | + 12 |
| Whmptn. Dudley Bw. | 127 | + 9 |
| Wood Hall Trust | 96 | + 7 |
| Woolworth (F. W.) | 50½ | + 4 |
| Shell Transport | 338 | + 7 |
| Emperor Mines | 185 | + 15 |
| Pancontinental | 335 | + 35 |
| Pot. Platinums | 215 | + 9 |

**FALLS**

| | | |
|---|---|---|
| Dunlop | 51 | − 4 |
| Laporte Inds. | 89 | − 5 |
| MEPC | 179 | − 5 |
| Reed Intl. | 278 | − 8 |
| Tricentrol | 72 | − 6 |
| Deelkraal | 82* | − 8 |
| Hartebeest | £27¼ | − ¼ |

* Premium.

(FT stock indices and FT-Actuaries summary Page 31.)

# Wilson: Strike will not make us take over Chrysler

BY JOHN BOURNE and KENNETH GOODING

**The Prime Minister last night gave a stern warning to any Chrysler workers who thought their strike could force the Government to bring the company into public ownership.**

Speaking at the annual dinner of the CBI in London, Mr. Wilson said: "The Government is of course prepared to consider within the resources available, proposals from any company for assistance towards major projects which can be demonstrated to benefit the national economy.

"But I am not prepared, and the Government is not prepared, for one moment to contemplate the use of one penny of taxpayer's money, or money borrowed by the Government to gratify that kind of politico-*industrial ambition.*

"The sooner this is realised, the better it will be for the livelihood and security of the workers there, and their families."

Mr. Wilson said he had read in the week-end Press reports of an idea said to be in the minds of some of those involved that if their actions could drive Chrysler into desperate straits, then the Government would be *forced* to bring the company into public ownership.

"I hope no one will harbour such illusions which are as damaging to those who hold them, and their employment *prospects, as they are fundamentally amoral.*"

Earlier, he recalled that three months ago in a speech to his constituency where there are a significant number of car industry workers, he had warned that the Government would not be ready to sustain companies which got into problems or who needed Government investment for essential modernisation—in so far as those problems were caused or aggravated "by unheeding industrial action."

Mr. Wilson continued: "We have made clear that in the massive investment assistance to British Leyland, the performance of the Corporation will be strictly monitored, and cooperation in terms both of industrial peace and manning and productivity *problems will be an essential* part of that performance.

"But there is more I want to say on this." He then gave his warning to the Chrysler strikers.

At the same dinner, Mr. Ralph Bateman, CBI President, strongly attacked the Government's industrial policy.

While asking the guests to give Mr. Wilson "the polite hearing upon which any Prime Minister is unquestionably entitled to rely when he honours us by accepting our invitation," Mr. Bateman strongly criticised the lack of Government response to the CBI's recent approaches.

"We have found that the more *important were the matters* under discussion, the less were we able to achieve anything in persuading Government about the dangers to industry of the policies proposed by Government."

He told the Prime Minister: "You have always given us a courteous hearing, but, search as I may, I can find little evidence that our arguments have had a measurable effect in influencing action by the Government."

Although not going into detail about the Industry Bill, the Employment Protection Bill and "other instances of Government policies which disturb us," Mr. Bateman maintained that the combined effect of all these proposals and actions by the Government "is such that industry is desperately worried about the prospects before it.

"The members of the CBI are afraid it is the intention of some members of the Government to kill the private sector of industry, starting with the privately-owned company and the individual and then moving on to the public companies, large and small, in the private sector.

"What is equally serious is that Government policies, far from uniting our people, have resulted in more divisions among us."

Mr. Bateman said that in recent months he was constantly being approached by people from various walks of life who were "desperately worried about their future and about the future of their country.

Continued on Back Page

# U.K. to give Cuba £250m. credit

BY MALCOLM RUTHERFORD

BRITAIN IS giving at least £250m. cheap credit to Cuba, Dr. Carlos Rodriguez, the Cuban First Deputy Prime Minister, said yesterday. On Monday Dr. Rodriguez signed the Anglo-Cuban co-operation agreement.

He revealed in London that his Government is negotiating with British Leyland about the construction of a truck and bus assembly plan in Cuba, although he warned that there might be strong competition from motor companies based in Spain.

British Leyland was responsible for a controversial bus sales deal with Cuba in the 1960s which was severely criticised by the U.S.

About £40m. of the £250m. *credit deal is already* tied to specific contracts. Dr. Rodriguez said that, if three fertiliser contracts being negotiated go through, this would take the figure accounted for to about £125m. The rest of the credit could be used within two years when it has been arranged that Cuba will ask for more.

The £250m. figure, Dr. Rodriguez explained, is a minimum one. Cuba had wanted more at once, but had been told that this was enough for the time being. Total Anglo-Cuban trade last year was worth about £44m., with a small surplus in Britain's favour.

Dr. Rodriguez said that the interest rate is under 7.5 per cent.—allowing for Cuba's special status as a developing country. It was thus similar to deals already made with France and other Common Market countries.

A statement from the Export Credits Guarantee Department, which will provide the credit guarantee, is expected to-day, although it would be highly unusual for this to disclose interest rates.

Mr. Peter Shore, Secretary for Trade, will visit Cuba in the autumn. It is hoped that this will coincide with the first meeting of the Anglo-Cuban joint commission set up under the co-operation agreement. Other British Cabinet Ministers are also being invited to take part.

# Shell and BP cut 1p off oil products

BY ADRIAN HAMILTON

SHELL AND BP, acting in tandem, yesterday surprised the industry by suddenly announcing a 1p a gallon reduction in the scheduled price of gas oil, diesel fuel and derv in the face of "competitive pressures."

The move, which makes the first reduction in scheduled oil prices for more than five years, comes at a time of increasing pressure in the "middle distillate" range of oil products in Europe following a mild winter and a continuing surplus of supply.

It effectively means a 4 per cent. reduction by Shell and BP in the price of gas oil and 2 per cent. on derv. These products are widely used both for commercial transport, process work and the space heating of commercial and other large premises.

Among those most immediately benefiting could be large-scale customers of the two companies — which still act in tandem under the Shell-Mex and BP group umbrella — such as British Rail, glass manufacturing, municipal transport, as well as taxis and farmers.

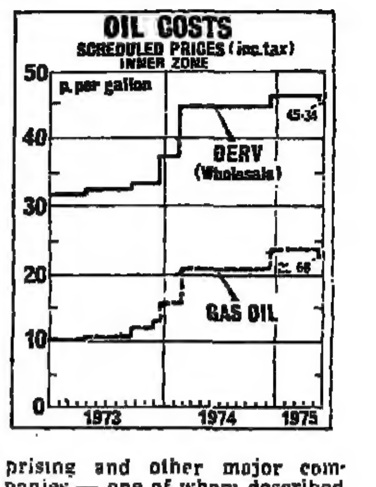
At this stage, however, both Shell and BP made it clear that they are not considering any reduction in other products such as petrol, where the competitive pressures on wholesale prices are less, or on fuel oil, where the major business is done under long-term contract with rebates off the scheduled price.

Their decision in this case was *undoubtedly also forced* upon the two brands by the weakness in the market, the relatively high margin on oil marketing offered by the U.K. in comparison with other European countries and the resulting competitive prices being offered by other groups such as Conoco, Amoco, Texaco and Total.

These are reported to have been introducing rebates off the scheduled price, of as high as 4p per gallon and more, compared to the 2-3p per gallon for large customers being offered by the major marketers.

Shell and BP, which have recently gained the reputation of being fairly high-priced suppliers, were clearly losing business as a result.

But the timing of the move is in other ways relatively surprising and other major companies — one of whom described the move as "panicky and quite probably unnecessary" — may still be reluctant to introduce quite the same extent in price cutting as Shell and BP.




In the first place, price controls in the last few years have helped to create a confusing picture on scheduled prices in which Shell and BP's official costs on these products are as much as 0.5p a gallon more than some of their competitors in any case.

In the second place, despite the obvious weakness of this market in Europe generally, there are signs of some strengthening in "free market" prices on Rotterdam in expectation of a revival of world economic activity this autumn.

Sales of derv, diesel fuel and gas oil currently account for around 20 per cent. of all oil product sales in the U.K.

Shell and BP's decision will mean that the scheduled price of gas oil in the inner zone (the *main urban centres) will* go down from 23.68p per gallon to 22.68p per gallon, while the scheduled price of derv delivered to the dealer will be reduced from 46.34p per gallon to 45.34p per gallon.

Whether the price of derv at the pump—currently standing at around 55.5p per gallon—will be similarly reduced will depend on the individual decision of the dealers whether to pass on the reduction or to keep it in the former of higher dealer margins.

# State aid for union postal balloting to be considered

BY ROY ROGERS, LABOUR CORRESPONDENT

MR. WILSON yesterday entered the growing political row over the issue of postal balloting for the election of union officials.

He promised to consider calls by both the Manifesto Group Labour MPs and from the Opposition for Government funds to be made available to help unions meet the cost of postal ballots. Furthermore, he declared himself in favour of this system of voting which is to be abandoned by Britain's second largest union, the Amalgamated Union of Engineering Workers, following a controversial decision by its Left-wing president Mr. Hugh Scanlon.

Mr. Wilson's declaration, made in reply to Opposition Employment spokesman Mr. James Prior, co-incided with the release of a batch of AUEW election results confirming the election of staunch anti-Communist Mr. *John Boyd as general secretary.*

However, this victory for the moderates was followed by several set-backs in their bid for re-instatement of the postal balloting system which is generally accepted as favouring the moderates.

Mr. Scanlon decided that appeals against the decision to abandon the system should not be considered until the next full meeting of the national executive in early June and Mr. Boyd was outvoted when he tried to defer taking up his new post until after that date so as to be able to vote at that meeting.

Two moderates were absent from yesterday's executive meeting which decided that Mr. Boyd should immediately step into his new post, which carries a £6,000 a year salary but no vote on the executive.

This means that when the issue comes up next month the executive is likely to split 3-3 on political lines, leaving Mr. Scanlon to use his casting vote. *It was Mr. Scanlon's casting vote* that swung the union's recent rules revision conference against postal balloting when delegates tied 25-25 after two moderate Welsh delegates were disqualified on technicalities.

As a result of that decision, the union is due to revert back *to the old system of voting at* branch meetings — which traditionally attract few union members, *most of whom tend to be* the more active, militant ones —next January, after three years of postal voting which have seen the union drift steadily away from the Leftward course it was on previously.

### Legal advice

One of the disqualified delegates, Mr. John Weakley from Llanelli, has appealed to the executive against this ruling, as has South Wales divisional organiser Mr. Tal Lloyd, and they threaten to take legal advice if they receive no satisfaction from next month's executive meeting.

Yesterday Mr. Boyd appeared to be suggesting there would be legal moves when he thought that the issue would eventually be settled "elsewhere" than in the union.

His victory over Left-wing executive member Mr. Bob Wright was anticipated, but the size of his majority, 164,276 to 94,216 in a 30.1 per cent. poll, was higher than expected.

Commenting on the result, Mr. Boyd said that the militants had turned it into a political fight, ignoring the basic necessity of having a person of experience and skill.

Mr. Wright agreed that the election had been fought on political lines and was very critical of "biased" Press reports influencing the result. In addition he spoke of employer-sponsored organisations assisting the moderates with financial and physical support.

The remainder of yesterday's AUEW election results produced mixed fortunes, with neither political faction able to claim a favourable trend from ballots attracting an average turnout of around 30 per cent.

The Left held one national organiser's post—Communist Mr. *John Foster—and won two* others, defeating Mr. Weakley in the process, but suffered setbacks with assistant general secretary Mr. Ken Brett being beaten into *second place* in the first round of the fight for his own post and the unseating of Communist Mr. Eric Montgomery *as* district secretary in Barrow, where there *was a 55.8 per cent. poll.*

Moderate Mr. Gavin Laird, widely tipped as the Right-wing candidate for the Scottish executive seat vacated by Mr. Boyd, defeated Mr. Jimmy Airlie to hold his post as Scottish regional organiser. As a result, the Left is expected to back Mr. Airlie's fellow UCS sit-in leader, Mr. Jimmy Reid, to oppose Mr. Laird in the executive election.

Countering the Left, Page 23

# Government to make major amendment to Pensions Bill

BY ERIC SHORT

THE GOVERNMENT intends to make a major amendment to the contracting-out provisions of the *Social Security Pensions Bill* which will alleviate the open-ended financial liability of employers.

This was announced yesterday by Mrs. Barbara Castle, Secretary for Social Services, at the committee discussions on the Bill. The amendment will be introduced at the report stage and *Mrs. Castle* declined to give further details.

Under the current provisions of the Bill, employers wishing to contract out of the State scheme must ensure that their occupational schemes provide retirement benefits based on final salary or average salary revalued in line with the movement of the National Average Earnings Index.

The Bill makes no specific provisions for the funding of occupational schemes. But the Occupational Pensions Board is likely to keep a watching brief on funding arrangements.

But should the employer wish to discontinue his contracted-out scheme — and the experience of *schemes over the past two years* has shown just how expensive private pension provision can be — then the Bill would impose certain legal obligations on him regarding the provision of guaranteed minimum pensions in respect of the members of that scheme.

The guaranteed minimum pension is based on the employee's past earnings, revalued in line with the NAE index.

### Obligation

If the assets of a pension fund are insufficient to meet this liability—as they could be if the present upsurge in earnings coupled with a negative investment return continues—then the employer has a legal obligation to make good the deficiency from his assets. In the extreme it could send him into bankruptcy.

The pensions industry has been putting forward its views to the Government on this point, which it appears is detering *some employers from setting up* occupational schemes. Mrs. Castle, in her statement, accepted that these fears were genuine and that the proposed amendment would seek to remove the problem. The Government, she said, has not sought to impose burdens on the pensions industry that it could not undertake.

*Leading spokesmen* for the pension industry yesterday welcomed Mrs. Castle's statement. The Society of Pension Consultants said it was a real step forward in overcoming a problem that had to be resolved if good occupational schemes were to be encouraged.

**£ in New York**

| | May 20 | Previous |
|---|---|---|
| Spot | $2.3067-3064 | $2.3036-3046 |
| 1 month | 1.13-1.02 dis | 1.30-1.25 dis |
| 3 months | 3.23-3.18 dis | 3.56-3.50 dis |
| 12 months | 12.60-12.45 dis | 12.80-12.70 dis |

**FEATURES**



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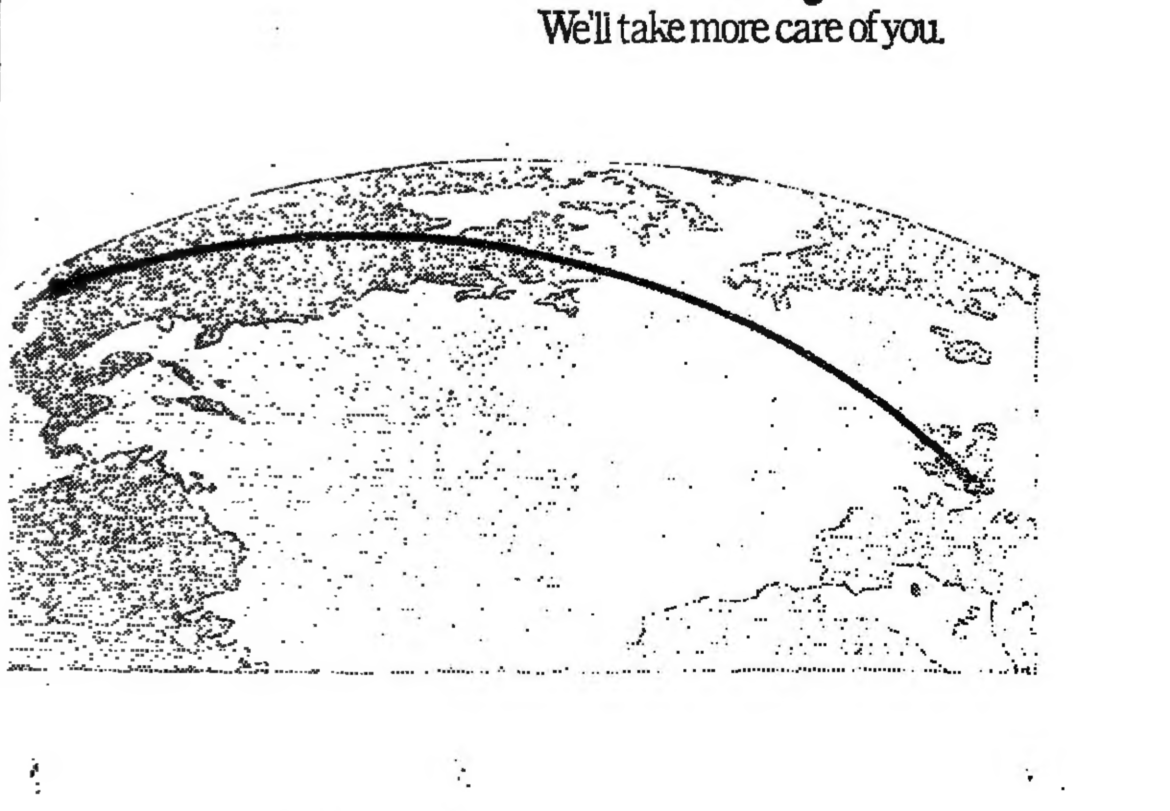
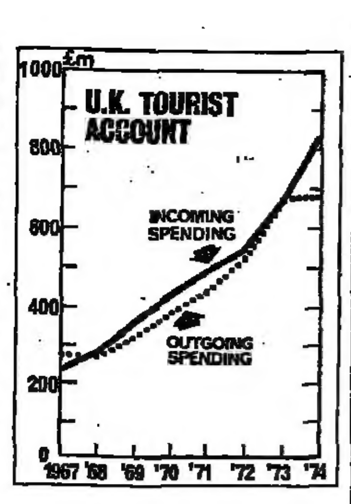


# £150m. tourism profit last year

BY ARTHUR SANDLES

BRITISH TOURISM was in profit by nearly £150m. last year as an increasing number of European visitors made good a decline in the number of American tourists.

British spending abroad remained almost static, but overseas expenditure in the U.K. rose by 22 per cent. to £834m.




Preliminary figures produced by the British Tourist Authority and the Department of Trade seem to show that domestic economic problems and the falling value of the pound is successfully depressing British spending abroad while encouraging foreigners to come to "cheap" Britain.

The travel industry hopes that any artificial Government intervention, such as introduction of travel allowances, will now be seen as unnecessary.

There were an estimated 7.9m. overseas visitors to the U.K. in 1974, some 3 per cent. more than in 1973. These foreign visitors are thought to have spent £835m., to which has to be added fares paid to British airlines and ferry boat operators.

At the same time, 10.5m. Britons went abroad, a fall of 9 per cent. but still leaving the U.K. as one of the world's biggest travelling nations. The British spent £681m. abroad, a marginal (£1m.) drop in the sterling total.

Among the foreign visitors the proportion of holidaymakers fell somewhat, but the number of business visitors rose by 13 per cent.

# Student grants up 22% from October

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

A 22 PER CENT. increase in undergraduate students' grants, which from October will add about £44m. to the public bill of £200m. a year, was announced by Mr. Reg Prentice, Secretary for Education and Science, in a Commons written reply yesterday.

The main rate of grant—for undergraduates living away while attending institutions outside London—will rise by 22 per cent. from £605 to £740, as will the corresponding rate for London institutions from £665 to £810. The rate for students living at home will rise by only 20 per cent. from £475 to £570.

The National Union of Students, which wanted the main rate increased to £845, described the announcement as "disappointing." It was "no compensation for 30 per cent. inflation," said Mr. John Randall, retiring president of the NUS, "and a rent freeze is now needed to protect students' living standards."

In the written reply to Mr. Bryan Davies (Lab., Enfield N.), Mr. Prentice also announced changes in the scale of contributions which parents are supposed to pay towards maintaining their student children, and in the methods of calculating the "residual income" on which the contributions are based. The changes place a penalty on private schooling.

At present, in calculating residual income parents are allowed £250 for a dependant child other than the student. If this child is at school, £260 extra is allowable to cover expenses such as private-school fees. If the dependant child has left school and entered further education, an extra £450 is allowable. In addition, £130 is allowable against covenanted payments made by a parent.

Although parents already in the above situations will continue to receive these allowances at the current rate, newcomers from October will receive only a single allowance. This will be £310 for a dependant child, other than the student, aged under 11; £320 if the child is aged 11 to 16; and £400 if the child is over 16.

RACING — BY DOMINIC WIGAN

# No Alimony for Predominate

A YEAR ago the Seven Barrows stable—whose Red Regent won easily at Nottingham yesterday while stable companion Taros was winning at Goodwood—produced English Prince to land Goodwood's competitive Predominate Stakes. To-day the country's leading stable is represented in the race by *No Alimony* and I believe that he, too, will come out on top.

No Alimony, whose fine two-year-old campaign included a victory here over seven furlongs on his third racecourse appearance, put himself firmly in the Derby picture on his return this season when outpacing the opposition in Newmarket's Craven Stakes.

Sent into the lead fully five furlongs from home on the Rowley Mile course, he raced clear of his nine opponents approaching the distance to win by four lengths from Bolkonski, who went on to land the 2,000 Guineas.

In view of that emphatic victory, it was more than surprising to see No Alimony put up such a lack-lustre display in the first colts classic. He was never a factor at any stage and finished out of the first 12 behind Bolkonski.

There appeared to be no excuses for No Alimony in the 2,000 Guineas, but in the belief that he simply had an off-day and ran at least two stones behind his true ability, I take him to regain winning form, possibly at the main expense of Bruni.

This grey colt by Sea Hawk II out of Bombazine—that popular race mare of a few years ago—decisively defeated King's Honour at Salisbury on May 8. Although he has much more to do here, Mr. Charles St. George's lightly raced colt is clearly on the upgrade.

Two other races which may well fall to Peter Walwyn and Pat Eddery are the Tegleaze (2.0) and the Cucumber Stakes (2.30). In the Tegleaze (for unraced two-year-olds), Walwyn and Eddery rely on *Anemos*, who is reported to have been showing a good deal of speed. In the Cucumber Stakes they combine with the certain favourite, *Acquire*.

Acquire is sure to have derived considerable benefit from her recent run at Salisbury, where she came with a storming late run to get within a length of the winner, Rory's Rocket, after running green in the early stages. She is suggested with confidence.

At Ripon, where Willie Carson can pull one back on Eddery in the jockeys' championship through *Zaskar* in the Stonebridgate Plate (4.45), *Inkuband* can return to winning form by getting the better of Parsifal in the Allhallowgate Handicap (2.15).

**GOODWOOD**
2.00—Anemos
2.30—Acquire***
3.00—Attalas
3.30—No Alimony**
4.00—Over The Moon
4.30—The Happy Hooker

**RIPON**
2.15—Inkuband
2.45—West Vale
3.15—Halsall
3.45—Palvinnia
4.15—Red Rodney
4.45—Zaskar*

**LUDLOW**
7.00—Colonian Queen
7.30—Fire Alarm

SALEROOM — BY ANTONY THORNCROFT

# Penicillin notes fetch £2,000

SIR ALEXANDER FLEMING'S autographed account of the discovery and development of penicillin, which formed the original manuscript of a broadcast he made in 1945, sold for £2,000 at Sotheby's yesterday, above the £1,000-£1,500 estimate. It was the highest price in a sale of books and letters which made £15,997, for a two-day total of £85,062.

Other good prices were the £750 (within estimate) from a private buyer, for an autographed letter by Herman Melville to the publisher John Murray in 1849 and the £340 for an unrecorded manuscript by Robert Burns of an early autographed draft of the beginning of his sonnet on the Death of Robert Riddel. A copy of the armistice signed in 1801 between Britain and Denmark went for £260.

The major sale at Sotheby's was the collection of Tsuba formed by the late William Vicent Bradford which went for £79,962. Tsuba are Japanese sword guards and the feature of a successful sale was the reappearance of Japanese buyers, who have been absent in recent months.

However, the two highest prices were paid by Abdel Salam, a *Middle Eastern* dealer. He gave £2,600 for a *Shakudo Nanako Tsuba* of around 1800, made of copper, silver and gold. He also paid £1,900 for a similar Tsuba of a slightly earlier period, which had been acquired by Mr. Bradford in 1949 for £46. A Japanese buyer, Nagashima, paid £1,500 for another Tsuba of the Edo period, 1700-1850.

Christie's sold very run-of-the-mill drawings, watercolours and prints for £38,228. The highest prices were paid by Laube, a dealer from Zurich, for two collections of views of Switzerland. He gave £3,780 and £3,150, comfortably above forecast. A private buyer gave £1,470 for a watercolour by Myles Birket Foster, *Returning to Market*.

Phillip's disposed of some rare antiques. A pair of carved ivory figures, ten inches high, a Gallant and a Maid, of continental origin, sold for £1,850 (estimate £800-£1,000) to Erikson and a large 19th century ivory tankard from Germany doubled its estimate at £1,300. Early English stump work — raised cloth embroideries mounted in frames — were much sought after, with a Stuart picture of Charles II and Maria Therese making £780 (£400-£500), and a William Mary stump work picture on target at £750.

While the main attention next week centres on Sotheby's first sale in Monte Carlo, when furniture from the collections of Baron Guy de Rothschild and Baron de Rede are expected to fetch high prices, there is an interesting sale in London of Wedgwood wares on Tuesday and Thursday.

Works of the Wedgwood factory from 1770 to the mid-20th century are for sale, at prices from £100 upwards. The highest price should be given for a copy of the celebrated Portland Vase, together with a lock of George Washington's hair, for which the vase was used as a mausoleum.

The original Graeco-Roman vase, now in the British Museum, was lent by the Duke of Portland to Wedgwood in 1786 and he made a limited number of copies.

This vase was given by Josiah Wedgwood II to Thomas Poole of Bristol around 1790, and is known as the *Poole Vase*. A similar early copy fetched £30,000 when sold at Sotheby's in 1971.

THE CHELSEA FLOWER SHOW

# Down among the veg men

Terry Kirk

Mr. Peter Seabrook displays his garden in a peat-filled bag. Leafy vegetables, he says, can flourish in such an environment

IF YOU want to pretend that the world is as it always was there is no better place to do it than the 54th Chelsea Flower Show which opens to the public to-day in the famous grounds of the Royal Chelsea Hospital. It's all a happy, blooming, sweetly-scented world with its own little excitements and breakthroughs—here a new rose (looking blushingly like the old ones to the amateur eye), there a new dwarf hybrid rhododendron (very exciting say the cognoscenti), and, over on the Agricultural Research Council's stand, a complete strategy for controlling couch ("something," say the officials, "we all want to know").

For those interested in the sheer beauty and colour of the flowers and shrubs the Grand Marquee is the place to head for. Here is where the countless roses, the tulips, the rhododendrons, the fuschia and all the other glories of the horticultural world are piled upon each other in such colourful profusion that the inadequate amateur like myself is apt to gasp with disbelief.

Never have I seen clematis so large—or so deeply-coloured. Did nature really intend them to be that way? Or has some alien chemical been applied to induce this unnatural size? Or is it merely that in most ordinary gardens they never manage to achieve their full perfection?

The aura of well-being at the show is well-founded. Gardening traditionally flourishes when times are bad. As soon as fears of economic collapse begin to filter through to the population at large they turn to their gardens or their allotments with renewed vigour. Not only does gardening provide a great deal of pleasure for very little outlay, it also occupies a great deal of time and can save considerable sums of money.

Few seed firms are at the Show this year—not because of bad times but entirely the reverse. "So busy have they been," said a spokesman, "that they have no need to be at Chelsea."

The greenhouse world might have been thought to be on the decline, but the higher cost of oil to heat them has been offset by the increasing interest in growing vegetables throughout the year. So, the range of greenhouses has proliferated rather than diminished. There are modular ones that can be extended as the enthusiasm or capacity of the gardener grows, there is the beautiful hexagonal one that looks more like a conservatory than a utilitarian growing-house, and there is the dome-shaped greenhouse that has an internal seat so that it can double as a sun-house.

If you're looking for changes, there are a few. The "Dig for Victory" spirit has not taken over by any means, but the beginnings of the movement are clearly there.

There were two particularly interesting exercises on the subject. John Brookes (whose designs have in the past won three gold medals for Financial Times gardens) has designed a garden to help promote the Inchbald School's Ten Week Garden Design Course. He has very cleverly decided that just showing how to grow vegetables is not enough—he takes the idea a stage further and sets out to prove that even in a small space a vegetable garden can be as visually pleasing as a flower garden, with the added bonus that you can eat the produce.

*Gardens To-day by Robin Lane Fox will appear to-morrow.*

The garden itself is only 20 feet square. It is divided into four main areas, in which there are two square beds where a selection of vegetables is grown. Visual interest is created by a variety of materials at ground level and by raised beds holding herbs, as well as by Alpine strawberries and a selection of herbs growing in a series of lovely terracotta pots provided by Gardenesque of Liphook, Hampshire, who constructed the garden.

It is certainly an eloquent and persuasive plea for gardeners to bring their vegetable gardens out from behind those screens at the bottom of the garden, among the potting sheds and the compost heaps, and let them bloom proudly in the open light of day.

Peter Seabrook, who is the inspiration behind the BBC's *Pebble Mill* vegetable garden, approaches vegetables in a less aesthetic way. He is unashamedly there to make it all as simply as possible. I don't s[ee] how anybody who has not e[m]barked on growing vegetabl[es] before could resist once th[ey] have had a word with Pet[er] Seabrook or had a look at wh[at] his 10 feet by 12 feet plot c[an] produce.

On this really very small pl[ot] reproduced at the Show with[out] cheating at all, he shows h[ow] two pickings of vegetables ([and] salads) a week for a family [of] four can be produced all t[he] year round—or, to put it anoth[er] way, how 50 lb of produce a ye[ar] can be harvested. He says it on[ly] takes an hour's work a week a[nd] no tools other than a spade, son[ie] wood for dibbing and son[ie] string.

Even if you have not got [a] plot, Peter Seabrook refuses [to] let you be disheartened—if y[ou] use fertilised, peat-filled bags ([as] he had to do at the Show, thoug[h] the plot shown in the televisi[on] series is based on real eart[h]) you can grow everything (exce[pt] the brussel sprouts) very sati[s]factorily.

Leafy things, he maintain[s], flourish wonderfully on fertilise[d] peat-filled bags—and he has row[s] of glorious-looking lettu[ce], spinach and celery to pro[ve] it.

Obviously, growing vegetable[s] in these bags is more expensiv[e] than growing from seed (as h[e] did for the programme). B[ut] even so, you save money in th[e] end (three crops of lettuce, thre[e] pickings of spinach, can be g[ot] from one bag). And you can pick up the bags and thus take you[r] garden with you if you mov[e].

**Lucia van der Post**

# TV Radio

† Indicates programme in black and white.

## BBC 1

9.38 a.m. For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.00 Cricket: Benson and Hedges Cup, Worcestershire v Leicestershire. 12.05 p.m. For Schools, Colleges. 12.30 Day and Night. 12.55 News. 1.00 Pebble Mill. 1.45 Fingerbobs. 2.02 For Schools, Colleges. 2.40 Cricket Benson and Hedges Cup, Worcestershire v Leicestershire. †3.58 Regional News (except London). 4.00 Play School. 4.25 Magic Roundabout. 4.30 Boris the Bold. 4.35 Jackanory. 4.50 The Monkees. 5.15 If You Were Me. 5.40 Roobarb.
5.45 News.
†6.00 Nationwide.
6.45 The Wednesday Film: "Hello Down There," starring Tony Randall and Janet Leigh.
8.10 Survivors.
9.00 News.
9.25 Wodehouse Playhouse.
9.55 Sportsnight.
†11.25 Regional News.

All regions as BBC 1 except at the following times:

Wales—4.50-5.10 p.m. Straeon Cadi Ha. 5.10-5.15 Crystal Tips and Alistair. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 7.10-7.40 Hyn o Fyd. 7.40-8.10 Whatever Happened To The Likely Lads? †11.25 News of Wales.

Scotland—6.00-6.20 p.m. Reporting Scotland. 6.20-6.30 General Assembly Report. †6.30-6.45 Nationwide. †11.25 Scottish News Summary.

Northern Ireland — 10.23-10.43 a.m. Ulster In Focus. 3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. †11.25 Northern Ireland News Headlines.

England—6.00-6.45 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South West (from Plymouth).

## BBC 2

†6.40 a.m. Open University.
10.35 Nai Zindagi Naya Jeevan.
11.00 Play School.
4.00 p.m. Cricket: Benson and Hedges Cup, Worcestershire v Leicestershire.
†5.00 Open University.
7.05 Worlds Without Sun.
7.30 News Summary.
7.35 Chelsea Flower Show.
8.00 Controversy: William Pickles argues that in the Common Market—we give too much and get too little.
9.05 Cricket: Worcestershire v Leicestershire.
9.30 Wessex Tales.
10.20 Don't Quote Me.
10.50 News Extra.
11.20 Closedown: Gabriel Woolf reads "A Bridal Song," by William Shakespeare.

## LONDON

9.30 a.m. Schools Programmes. 12.00 Hickory House. 12.15 p.m. The Adventures of Rupert Bear. 12.30 Mr. and Mrs. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Rooms. †3.00 "Ride The High Iron," starring Raymond Burr. 4.20 Cartoon. 4.25 Captain Cook's Travels. 4.35 Baldmoney, Sneezewort, Dodder and Cloudberry. 4.50 The To-morrow People. 5.20 The Brady Bunch.
5.50 News From ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Don't Ask Me.
7.30 Coronation Street.
8.00 Bless This House.
8.30 In Sickness and In Health.
9.30 The Loner.
10.00 News.
10.30 Barnaby Jones.
11.30 World Snooker.
11.55 Against The Odds.

All ITV regions as London except at the following times:

### ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 3.00 Trial by Wilderness. 3.55 Showcase. 5.20 Lassie. 6.00 About Anglia. 8.30 The Tommy Cooper Hour. 10.30 Police Story. 11.25 Your Music at Night.

### ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 3.00 Documentary: Crime Squad. 3.55 Untamed World. 5.20 ATV Today including Junior Police Five. 6.00 ATV Today. 8.30 Kung Fu. 10.30 Platform for Today. 11.15 Father Paschal

### BORDER

12.30 p.m. Bridget Loves Bernie. †1.25 Border News. 2.00 Houseparty. 3.00 Crime Squad. 3.55 Shirley's World. 5.20 Circus. 6.00 Border News and Lookaround. 8.30 The Zoo Gang. 10.30 The Baron. †11.30 Border News Summary

### CHANNEL

1.20 p.m. Channel Lunchtime News and What's on Where. 3.00 The Crime Squad. 5.20 Elephant Boy. 6.00 Channel News. 6.00 Wait Till Your Father Gets Home. 8.00 This Is Your Life. 8.30 The Streets of San Francisco. 10.30 Night Gallery. 11.25 News and Weather in French followed by Epilogue.

### GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Houseparty. 3.00 Documentary: Crime Squad. 3.55 Galloping Gourmet. 5.20 Dusty's Trail. 6.00 Grampian News. 6.10 Love American Style. 8.30 Kung Fu. 10.30 Police Newsroom. 10.00 Grampian Special Debate: Referendum '75 11.20 The Odd Couple. 11.50 Evening Prayers.

### GRANADA

1.20 p.m. This Is Your Right. †3.00 The Saint. 3.55 The Galloping Gourmet. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Firehouse. 8.30 The Streets of San Francisco. 10.30 Mystery Movie. 11.55 Inner Space.

### HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 3.00 "Honeymoon With A Stranger," starring Janet Leigh and Rosanno Brazzi. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Cuckoo in the Nest. 8.30 Police Story. 10.30 Boney.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.15 Y Dydd.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

### SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 3.00 Department S. 3.55 Anna and the King. 5.20 Professor Kitzel. 5.25 Crossroads. 6.00 Scotland To-day. 6.30 Chicago Teddy Bears. 8.30 Griff. 10.30 Short Story. 11.00 Late Call. 11.05 A Place in Europe.

### SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. †3.00 "Calling Bulldog Drummond," starring Walter Pidgeon and Margaret Leighton. 5.20 Dodo. 5.25 Crossroads. 6.00 Day By Day. 8.30 Hawaii Five-O. 10.30 Orson Welles Great Mysteries. 11.00 Southern News Extra. 11.10 Night Gallery.

### TYNE TEES

9.25 a.m. Starting Point. 2.00 p.m. Women Only. †3.00 The Wednesday Film: "The Men," starring Marlon Brando and Teresa Wright. 5.20 The Woody Woodpecker Show. 6.00 Today At Six. 8.30 Hawaii Five-O. 10.30 Short Story. 11.00 Look Who's Talking—Guest: Danny La Rue. 11.30 Late News Extra. 11.40 The Four Spirits.

### ULSTER

1.20 p.m. Ulster News Headlines. 3.00 Documentary. 3.55 Out of Town. 4.25 Ulster News Headlines. 5.20 Survival. 6.00 UTV Reports. 8.30 The Streets of San Francisco. 10.30 Spectrum. 11.00 Theatre of Stars.

### WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.00 The Crime Squad. 3.55 Look Who's Talking. 5.20 Elephant Boy. 6.00 Westward Diary. 8.00 This Is Your Life. 8.30 The Streets of San Francisco. 10.30 Night Gallery. 11.23 Westward Late News. 11.26 Faith for Life.

### YORKSHIRE

1.20 p.m. Calendar News. 3.00 The Wednesday Film: "Isn't Life Wonderful?" starring Cecil Parker. 5.20 Out of Town. 6.00 Calendar. 8.30 Hawaii Five-O. 10.30 Emmerdale Farm. 11.25 Look Ahead.

## RADIO 1 — 247m

(S) Stereophonic Broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 Anne Nightingale reviews the latest sounds around. 7.00 As Radio 2 including at 7.30 Ring-a-Song and at 8.02 Country Club.

## RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tony Brandon (S) with The Early Show including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Cricket Scoreboard. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m. only (also 202m Scotland). 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Lucky 13! 7.30-8.00 247m. and VHF only (also 202m Scotland) Ring-a-Song (S). 7.30-9.20 1500m only Soccer Special: England v. Wales. 8.02-10.00 247m and VHF only (also 202m Scotland) until 9.20. Country Club (S). 10.02 Sports Desk. 10.05 Jean Challis (S) with Music Through mid-night and 12.00 News. 12.31 a.m. News Summary.

## RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Your midweek Choice: Ravel, Poulenc, Gounod (S). 8.00 News. 8.05 Your Midweek Choice, part 2: Mozart, Strauss (S) 9.00 News. 9.05 This week's composer: Dvorak (S). 9.50 Organ in Consort (S). 10.40 Cello and piano recital (S). 11.30 Poets on music: Michael Hamburger. 11.50 Berlin Philharmonic Orchestra: Ravel, Tchaikovsky (S). 1.00 p.m. News. 1.05 Concert Hall (S). 2.05 New Records (S). 2.50 Brahms choral music (S). 3.50 In Repertory: Raymond Leppard discusses four operas in his repertory (S). 5.00 Choral Evensong. ‡5.45 Homeward Bound. ‡6.05 ‡News. ‡6.10 Homeward Bound (continued). ‡6.30 Study on 3. 7.30 "Lulu," opera in six scenes, music by Alban Berg. Act 1 (S). 8.35 The Arts Worldwide. 8.50 "Lulu." Acts 2 and 3 (S). 10.05 Scientifically Speaking. 10.45 Haydn Quartets (S). 11.25 News.

VHF only. 6.00-7.00 a.m., 5.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

## RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the day. 6.45 Today including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45-7.50 Thought for the day. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. ‡9.05 Referendum Call. ‡10.00 News. ‡10.05 In Britain Now. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Round Britain Quiz. ‡11.30 Thirty-minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Brain of Britain 1975. ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. ‡2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 The Pearlies. 4.35 Story Time. 5.00 PM Reports. 15.50 Financial Report, VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Twenty Questions. 6.45 The Archers. 7.00 News Desk. 7.30 The Best of Flanders and Swann. 8.15 Their Master's Voice: reflections from Lord Hailsham of St. Marylebone. 8.30 Poetry Prom.: Sir John Betjeman reads poetry about animals. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only)—9.25 a.m. to 12.00 and 2.00 to 3.00 p.m.

## BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.03 Call In—2. 2.03 206 Showcase. 3.03 Young in Mind. 4.03 What Are They Up To Now? 4.32 Home Run including London News Desk at 5.00, 6.00. 7.00 In Town. 8.00 Quest. 8.30 Sounds Good. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

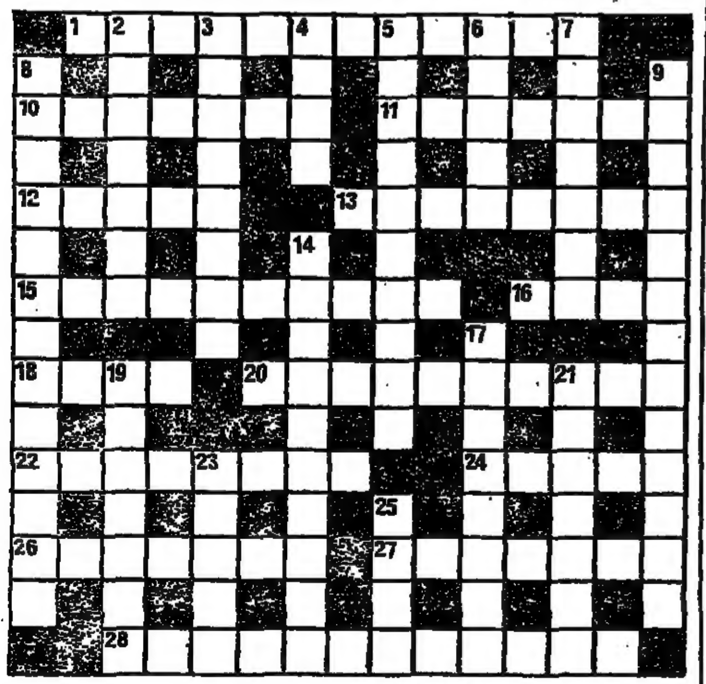
## London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "AM": News, interviews, traffic and travel news, plus sport, with Douglas Cameron and Clive Roslin. 10.00 Open Line with George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo. 9.00-1.05 a.m. Love in London, presented by Adrian Love.

## Capital Radio — 194m and 95.8 VHF

6.30 a.m. Kenny Everett with 3½ hours of music and madness. 9.00 Michael Aspel with music, Features, Advice and Swop-shop. 12.00 Cash on Delivery with Tommy Vance and Music. 3.00 p.m. Roger Scott with Music. 7.00 London To-day. 7.30 Open Line. 9.00 Nicky Horne's Rock Show. 11.00 Tony Myatt's late night on Capital. 2.00 a.m. Night Flight.

## F.T. CROSSWORD PUZZLE No. 2,783



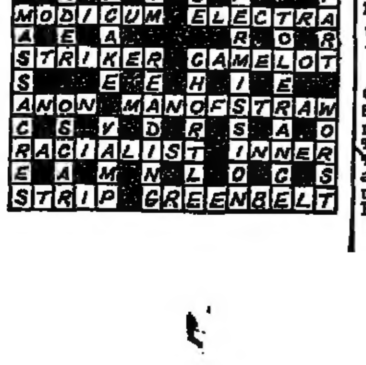
**ACROSS**

1 Tick names in screen acknowledgements (6, 6)
10 Convincing nature of company information taken by church (7)
11 Student makes sterling breadwinner (7)
12 Allow a daughter to go to Minehead with it (5)
13 Shoes that give the game away (8)
15 Youngster gets a place during interval (5, 5)
16 Wave caused by entry into pool (4)
18 Complaint that's always spotted (4)
20 Bush threatening north with disorder (10)
22 Suffering firm to forward goods (8)
24 More recent discovery in some villa terrace (5)
26 Just arrived, we hear, as tennis star (7)
27 Slam in a fresh order for stock (7)
28 Baggy trousers are a must (8, 4)

**DOWN**

2 Army unit misses tea as a way of life (7)
3 Bountiful receiver introduces fellow to a right politician (8)
4 Peg's all for driving to northern river (4)
5 Description of the British Manx Grand Prix (6, 4)
6 Single 27 says everything is up to master (5)
7 Frank is after joining engineers (7)
8 Fight promoter turning over little bits of irony? (5, 8)
9 Dubliner's get-up is not the blessing it seems (9, 4)
14 Cold essence of pepper (10)
17 Single 27 that might play for time a tiny bit (8)
19 Make compressed paper when salary increased (5, 2)
21 Stare down on unfashionable features (7)
23 Scratch mark at 20 (5)
25 Smart to keep parent at home (4)

**SOLUTION TO PUZZLE No. 2,782**





# South East Asia Shipping

**19-20 JUNE 1975 — SHANGRI-LA, SINGAPORE**

Organised by the Financial Times Limited, Straits Times, British Airways, Cathay Pacific Airways and Fairplay International Shipping Weekly

Speakers will include:

OPENING ADDRESS
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Minister of Communications, Singapore

SHIP REPAIRING AND CONSTRUCTION
Mr C N Watson
Sembawang Shipyard, Singapore

FAR EASTERN FREIGHT CONFERENCE —A CRITICAL APPRAISAL
Mr Tan Eng Joo
National Shippers Council

THE OUTLOOK FOR SHIPPING IN SOUTH EAST ASIA
Mr Koh Seow Tee
Neptune Orient Lines

THE INVESTMENT REQUIREMENTS FOR SHIPPING IN THE GREAT ASIAN ARCHIPELAGO
Dr K C Sen
Transport and Communications Division
Asian Development Bank

TRADE AND INVESTMENT— DEVELOPING THE CONNECTION BETWEEN THE MIDDLE EAST AND SOUTH EAST ASIA
Mr Hussain Najadi
Arab Investments for Asia Ltd

IS THERE STILL PROFIT IN SHIPPING FINANCE?
Mr A O Scarrow
Bank of America

AREAS OF SHIPPING INVESTMENT IN THE PACIFIC
Mr Lawrence Wee
First Overseas Credit Ltd

SHIPBUILDING AND CONSTRUCTION
Mr T Yamada
Shipbuilders' Association of Japan

THE FAR EASTERN FREIGHT CONFERENCE AND ITS BENEFITS
Mr H O Karsten
Far Eastern Freight Conference

LAW OF THE SEA AND SHIPPING IN THE GREAT ASIAN ARCHIPELAGO
Tunku Achmad Rithaudeen Al Haj bin Tunku Ismail
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**Florence**

# Maggio musicale

by William Weaver

The parlous situation of Italy's opera houses has already been reported in the international press. In Venice, the entire season was cancelled; in other cities, the number of performances has been cut; and the theatres that have, somehow, managed to put on operas have done so against every kind of difficulty. So there was a miraculous, heroic quality about the opening of Florence's thirty-eighth Maggio musicale festival last week. Massimo Bogianckino, who has been the Teatro Comunale's artistic director (though, for some reason, his title is "consultant"), only for a few months, was obliged to cobble up a programme virtually at the last minute. If the events scheduled for the next six weeks are not on a level with the memorable achievements of past Maggios, they remain attractive, interesting, and—surprisingly—coherently arranged.

But we may not be allowed to see them all. Three days before the Maggio's opening, the management of the Comunale and the leaders of the various performing arts unions held a Press conference, to underline once more the impossible state of things at the theatre. Salaries have not been paid; promises have not been kept; the future is uncertain. The conductor Riccardo Muti—for some years closely associated with the Comunale—joined the orchestra and chorus that evening in a free "protest" concert (the Beethoven Seventh, Verdi's *Stabat*, *Te Deum* and the refugees' chorus from *Macbeth*); the crammed theatre was the scene of "indescribable enthusiasm," as the Florence paper reported the event. One can only hope echoes of the enthusiasm—and the protest—reached Rome.

Muti was again on the podium to conduct the festival's first production: *Macbeth*. Though rehearsals had obviously been hampered by the Comunale's administrative problems, Muti's reading was precise, thought-out, and thrilling. The Florence orchestra, under his guidance, is always at its best; and for this dramatic occasion they were superb. The chorus, too, was both subtle and rousing; Muti's speed gave the witches a little trouble at the beginning, but the great finales came off splendidly, movingly.

The conductor's sensitive way with solo singers enabled a less than ideal cast to shine. Mario Petri, who sang Macbeth, has been around a long while. In the years just after the war he was a valued bass (he can be heard on many recordings from the '50s, and at that time Karajan chose him to sing Don Giovanni, memorably, in Rome). Now he has become a baritone. The voice is inevitably thinner, but Petri uses it skilfully. He may have abused his mezza-voce a bit, but in this part Verdi often calls for a "mysterious" sound; and at climaxes (cf. "E squillo eterno," before Duncan's murder) Petri could summon the required power. He also acted with regal authority.

Mario Petri and Gwyneth Jones in 'Macbeth'

Gwyneth Jones sang generously, even recklessly at times. Her top notes were not beautiful or always true, and she squalled in the ensembles. Still, there were admirable moments; she feels the part deeply, though she is ill-suited to it in her present vocal state. The tenor Franco Tagliavini was a lyrical, rather than heroic Macduff. As Banquo, the young Norwegian bass Aage Haugland made a promising impression, also because of his accurate enunciation. The smaller parts were well-assigned.

To some extent, Franco Enriquez's staging was the victim of under-rehearsal; and no doubt several miscalculations (especially in the lighting) will be put right for later performances. For the most part, chorus and principals were moved sparingly and intelligently. In the banquet scene, however, the producer should have indicated more clearly which of Lady Macbeth's words were intended for her husband alone and which for the whole company. And Enriquez was hampered, too, by Bruno Garofalo's sets. They were not bad-looking, except for the Habitat furniture at the banquet, but the doors were too narrow and made the chorus's entrances and exits awkward. At the end of Act One, though the libretto does not call for the sight of Duncan's corpse on stage, Enriquez decided to have it brought in; the supers had trouble squeezing the dead man through the doorway. Elena Mannini's gaudy costumes were also a drawback: the protagonist seemed to belong to the Mac-Peacock clan, and there was too much glitter altogether. Visual defects, however, could not detract from the strong musical impact of the evening.

According to rumours current some weeks ago, this *Macbeth* was to have been performed in the original 1847 version (written for La Pergola in Florence): an arresting idea, since that score remains unheard in this century. Instead, we were given the more familiar—and admittedly superior—1865 version. But Muti did insert, in the last act, Macbeth's death scene "Mal per me," which Verdi suppressed when he rewrote the finale. The brief aria is beautiful—and Petri did it full justice—but its insertion in the 1865 score is a theatrical and musical miscalculation. The action is interrupted, and the swell of the choral conclusion is broken.

All criticisms aside, this *Macbeth* was an exciting occasion, and one's chief emotion at its end was gratitude for the unpaid artists who were, literally, *giving* us a performance. The bravery of the Comunale should not go unrewarded. It would be a cultural crime to allow the Maggio to die.

**Covent Garden**

# King Priam

by MAX LOPPERT

I came new to the Royal Opera staging of Michael Tippett's second opera. New; expectant with memories of broadcasts and pictured impressions of the famed Sean Kenny sets to add to preparatory score-readings; and just a little apprehensive, when a canvass of earlier opinions had thrown up the words "problem" and even "failure" as often as those of admiration for the opera's form, frame and effect. So if the immense enthusiasm I felt udring and after Monday's revival, *grandly performed* and played and in the main pointfully staged, helps to kindle or refuel the same elsewhere (the house was only tolerably well-filled to honour the 70 year old composer), *I shall be happy indeed.*

That, 13 years on, *King Priam* has still the feel of an exciting experiment, a fresh investigation, a problem being solved with the edges as well as excitements showing, will deter only those people who, rather than relishing the struggle of novel concepts being shaped and achieved, want art-works "varnished, veneered, turned, all the screws buried, the luxury of the occasion demonstrated" (Jonathan Miller's unfortunately all-too-accurate description of the average opera-goer). In any case, time, and the experience of later Tippett, clear the air and re-define the problem—no *longer the composer's shocking* replacement of *The Midsummer Marriage's* organic lyricism with *materials of* gunmetal, brass and cold granite, newly mined, angularly cut, aggressively *bolted and flung together.*

A question-mark seems to me to hang principally over the complete matching of means to mould. To make a "mosaic" opera, with stones newly added and patterned to contrast and invigorate each other, you need a theme consistently mosaic-made; in other words, drama, patterned wholly and only on a subject of conflict and contrast. In the second act, surely one of the most economically made and brilliantly climaxed pieces of modern theatre, as the sibling rivalry of Troy gives way to the petty jealousies of the Greek camp, while Achilles dreams and Priam exults and when finally the heat of apparent Trojan triumph *meets* the electrifying cold of Greek war-cry in a clash of brass, percussion, onstage ensemble and off-stage chorus, form and content are indivisible.

But in the third, last act, as *some resolution or synthesis* of conflict is awaited, a feeling of pace disjointed and ill-timed, of the scene-and-interlude format somehow slowing the working-out of the drama, become appreciable. So, too, the concerto-for-orchestra characterisation, so gripping earlier in concentrating the attention (notably Achilles's guitar, Andromache's cello, the haughty violin Fronds of Hecuba), begin to lose its grip. If *King Priam* fails at all, it does so towards the end, at the point where messenger Hermes sings of a "divine music, a stream of sound," and the listener "watching from the bank, the mirrored wold within," does not hear it.

Yet how can the opera have been, as it has been, called infertile, barren, obstinate? There may be no stream of melody; but who, hearing the wonderful *third*-act womens' trio, for example, could fail to sense a pent-up lyrical impulse searching so movingly for fresh form and expression? I love the brilliance of the opera's sound world, its offstage flares, the particularity of its instrumentation. Though I winced at Tippett's words as much as I feared to (the "bitter *Sharoduh* of life" rasped especially awkwardly), I love the feeling, behind the words, of the music waiting and ready to urge one over the verbal potholes. I love the courage and the energy of King Priam. I am impatient to go again.

When praise must be apportioned among the performers, it is hard to know on whom most and first to lavish it. On David Atherton and the orchestra, perhaps; the Achilles of Richard Lewis (b. 1914, according to the Oxford Dictionary of Opera!) in fearless, heroic tenor cry; the noble Forbes Robinson in the title role; Anna Reynolds' Andromache, to whom I would give the apple for finish of phrase; the strongly forged baritone of the new American, Michael Devlin, a powerful Hector, or simply on the excellence of the whole team? From Ande Anderson's reworking of the original Sam Wanamaker production, I would urge only a pruning of Isadora arm-gestures —Hecuba flung herself finally out with particular whirling extravagance. The sets are still as handsome as they promised to beS will some of Covent Garden's visual excesses of the later 60's stand up *half* so well?

**St. John's, Smith Square/Radio 3**

# Early Music Consort

David Munrow and his merry band, the Early Music Consort, gave Monday's BBC lunchtime concert at Smith Square. It was a potted version of their familiar "Music of the Royal Courts of Europe" programme, and very merry too. Munrow, the best broadcaster of his generation, introduced the programme himself, thus depriving Patricia Hughes's fans.

Even a small pot of Munrow's Renaissance pickings makes an excellent radio programme: his pleasing, discreetly humorous introductions; the cleverly chosen variety of songs and instrumental pieces, mostly frolicsome but occasionally forlorn or soothing; and the gloss and vitality of the EMC's deft performances. I listened to the live relay, but wished I had gone to the hall. It's even more entertaining to see the Consort in action, and observe which instruments are playing—rauschpfeife or dulcian, cornemuse or shawm—and generally *inhale the special character,* and charm, which has made the EMC the leading exponent of early material.

Monday's pieces were all familiar—thanks to the EMC's previous programmes. A madrigal by Verdelot, and an instrumental piece by Galileo's father, in the Italian group; and, in the Spanish some de la Torre and Cabezón; these two fancy styles separated by a group including Senfl's songs and Isaac's popular "Innsbruck ich muss dich lassen."

GILLIAN WIDDICOMBE

**Coliseum**

# Wushu

by CLEMENT CRISP

Popular in the West through the films of Bruce Lee and such deathless TV fodder as "Kung Fu," popular in the new China through official encouragement of physical fitness, the Martial Arts are no strangers to our eyes. The dizzying thrust of legs and arms; the feints, lunges and electric response to attack; all these are the common-places of a system of physical preparedness that is an ancient tradition in China.

The *Wushu* troupe which opened at the Coliseum on Monday is here to show us something of the range and dexterity of an art more abused than understood in the West. A yellow floor-cloth, stage bare to a white scrim at the back, cohorts of performers in aniline-sharp colours, are the ingredients, with a fine assortment of swords, flails, spears, daggers and cudgels to be wielded and avoided.

To a less-than-absolutely-expert eye, a good deal of the activity is rather the same, and some 50 separate numbers during the two-hour show proves over-generous a dose of fisticuffs and battling. To sustain one's interest, though, there is a sheer virtuosity of execution which argues an extraordinary dedication and skill in performance. The wind whistling through a whirling spear or a nine-link whip as the exponent leaps and turns; a tiny boy, knee-high to a grasshopper, exercising with a trident larger than he is; young girls sweetly smiling as they beat off attacks, and mock fights in which the patter of blows dealt and fended have at typewriter speed, are part of the fun.

Most beautiful, and most mysterious, a brief number called "Tang lang chuan" in which the attitudes of fighting are combined with an imagery taken from the praying mantis —a brief choreographic gem superlatively done by Mr. Yu Tien-tang. Intermittent accompaniment of popular Chinese music, sounding oddly like the sadder of Moor's Irish melodies, is part of the entertainment: but all in all, an evening for the aficionado.

**Television**

# A tedious balance

by CHRIS DUNKLEY

By the time you read this I shall be doing my annual dropping-out act in the wildest depths of Snowdonia, with nothing between me and the ravages of nature other than 18 inches of solid granite, mains electricity, half a dozen bottles of Calor gas, rather more of Beaujolais, running water—rusty brown, but still running—and a garden full of vegetables which I used to think grew only around the Mediterranean. This struggle against the elements will last for three weeks, and as a result I find that the powers-that-be have disenfranchised me.

Because I shall not be sitting at home watching television like a good citizen, the Government has declared that I may not vote in the EEC referendum, and consequently the rapt attention I have been paying (mostly wrapped in gloom) to the increasing deluge of information about Europe will have no practical application whatsoever. Perhaps this should give me a more than usually neutral standpoint from which to consider the evidence—but then I was neutral anyway, having wavered steadfastly through pro and anti attitudes into a rock solid "don't know" position.

Television is by no means blameless for this mugwump tendency. Programmes about Europe are now "balanced" with such fanaticism that the result is like a system of perfect handicapping: all the horses arrive at the post in a mass dead-heat and it is impossible to pick a winner. For television executives, dealing with politicians known to have their secretaries stop-watching their screen discussions, this may be an effective way of avoiding offering any hostages to fortune—but it's a rotten way of making programmes.

During the past few weeks, particularly on *Midweek* which seems to have been bearing the brunt of the BBC's EEC coverage, we have been presented repeatedly with two unanswerable declarations. The anti-Market men (almost invariably *men; very few women*) announce "We have been in the EEC for 2½ years and we have had rising food prices, rising unemployment, a net flow of capital investment out of Britain and into Europe, and what's more we have poured into the Market's various funds a great deal more money than we have received."

Factually this declaration may seem indisputable, but what the pro-Marketeers invariably attack is the implied causal connection: "Food prices and unemployment would have risen anyway," they say. On the payments side, they dispute the figures and add: "Benefits from EEC funds will come with long term, fully committed membership. What is more our national situation, in all respects would be infinitely *worse if we left the EEC.*"

The usual procedure then is for the discussion to become so embroiled in technicalities—the CAP, the Treaty of Rome, butter mountains, wine lakes, regional funds, industrial development areas—that even the participants become confused. When an MP started talking on Wednesday's *Midweek* about "the gnomes of Brussels . . ." Robin Day had to intervene to remind him "The gnomes are in Zurich. It is faceless bureaucrats in Brussels," which turned out to be the best joke of the week.

The trouble is that television people are now so deeply surrounded by detail that they cannot see the wood for trees. I do not believe I am underestimating the British public (and I am certainly not underestimating myself) if I say that there is still a great need for a series of much more basic and didactic programmes explaining the fundamental ideas of the EEC. Ironically the programme which has done most in this direction, over a fairly long period, is the very one which you would expect to be most highly specialised and difficult: *The Money Programme.*

Perhaps things will change while I am blessedly boxless in Wales and the population will finally be enabled to grasp the fundamentals of the choice they are being asked to make (assuming Parliament doesn't renege on the referendum anyway). Granada's European coach tour programmes are coming up, and they may help. But in general what I am happily expecting to *miss* is three weeks of increasingly turgid programmes looking like a verbal test match played to impenetrably obscure rules: the anti-marketeers attempting to york the opposition with recent history, the pro-marketeers trying to stonewall with the philosophy of the future, and the TV chairmen inspiring slow hand clapping from the dwindling spectators by interrupting every delivery and every stroke to read out some esoteric rule which they mugged up the night before and then announce that it's time the other side had a go.

*

*Two programmes, one after* the other, on BBC2 and BBC1 on Tuesday made me think that self-indulgence had suddenly replaced the police force as the touchstone of the corporation's documentaries. Subsequent programmes modified this view, but *The Male Menopause* and *What Use is Wildlife?* really were an extraordinary pair.

For the wildlife programme Julian Pettifer abandoned the moles and the drizzle in the garden of his riverside home to fly off to a series of exotic, hot and beautiful locations including Africa, India and Mauritius where Bristol BBC's cameramen shot their usually impressive footage of tigers, terns, elephants and so on. I could watch good colour photography of animals fairly happily all night, and if the programme's aim had been no more than to provide this then little comment would be necessary.

Yet the title and Pettifer's introduction made utterly clear that the programme had a serious question to ask: what use is wildlife? None of the pretty—and one has to assume wildly expensive—pictures supplied the answer (unless you accept beauty as being its own justification, which I might, but then Pettifer didn't). Nor did the Indian wildlife park ranger who was interviewed. The man from *New Scientist* told Pettifer that there were reasons for *preserving all species, and instanced* hawks as capable of helping modern man in keeping airports bird-free. Never at any stage did he or Pettifer or anyone else attempt to answer some obviously difficult questions.

If the saving grace of the wildlife programme was its photography, that of *The Male Menopause* was its unintentional humour. "Unintentional" is a dangerous word here because Barry Took's name is among the credits, but I assume that he was involved only in writing the skits which accompanied the studio discussion and these were clearly intentionally funny, the purpose of producer Tam Fry and editor Michael Townson being to use the humour for the serious business of making their point: that men as well as women suffer a menopause.

To this end they sat Michael Parkinson in the middle of a jumbo-sized male sex symbol and encouraged him to pour out his troubles, egged on by his wife who spent the evening praising him with faint damns. Benny Green did his level best to offer moral support, but since he obviously has little sympathy with the central idea this proved to be of doubtful value, and Mrs. Green sensibly smiled sceptically and said nuffin except when forced to by a direct question.

*Not one whit of proof for the* mythical disease was found, of course. What *was* proved was that if you are among the top 0.5 per cent. of income earners (the characters in the skits and songs took delivery of their food from butchers' and grocers' boys, like something out of Dornford Yates); if you are in a sedentary occupation, and in frequent demand for unhealthily large lunches and dinners, with social and expense account drinking helping to ruin your waistline; and if—in all probability — you also take far too little exercise then you will put on weight and, as Parkinson lamented, you won't be able to "sprint onto the ball" in a Soccer match any more. Surprise surprise.

**Young Vic Studio**

# All Good Men

Trevor Griffiths's play was first seen as a "Play For To-day" on BBC-1 last year. It is an absorbing piece of writing about the Labour Party and the chances, lost and imagined, for social revolution in a capitalist society. It is also about grass roots politics, a subject that must arouse violently different reactions among anyone who sees the play. What, for instance, would an East End Fabian who fought in the Second World War and voted out Churchill in favour of the Attlee Government think of a powerfully argued historical diagnosis that dismisses that Government and its achievements as inconsiderable? Has not such a man lost faith in the Labour movement and settled for the Liberals?

There is a boiling indignation in the writing that is, as usual with this author, expressed with powerful dramatic force. A television documentary is being made on a distinguished Lancashire MP about to be elevated to the Lords. Edward Waite had been a militant schoolboy in 1912, a member of the ILP and the subsequent minority Government of 1924. His record is stained, though, by his opposition to the Miners' action of 1926 and his consistent pursuit of "the good life." The TV producer is suave and interested. Waite's son, an academic at Manchester University, returns to the house for his father's birthday and a full-blooded confrontation.

Does it matter that Waite carries a pipe he has not smoked in 20 years? The Labour Party is obsessed with its own image as much as it is with its own unity or its own divisions. Never more so than to-day. Waite junior loves his father and would (and does) defend him in the face of any drivelling denunciation, stated or implied, by the media. But he loves his idea of socialism more and is banging his head against the massive failure of politicians to sustain radical faith and intentions over the past 50 years. Waite's daughter, quietly and beautifully played by Jennifer Piercey, spells out a chilling recipe for socialist achievement as she refuses to accompany her father to his induction ceremony.

Clive Merrison's direction is overblown, somewhat crude in the treatment of the TV producer (David Firth) and the old boy (John Gill). Oliver Cotton is nothing less than explosive as the frustrated academic. Performances are on Tuesday, Wednesday and Friday of next week.

MICHAEL COVENEY

The Entertainment Guide is on Page 9

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# WORLD TRADE NEWS

PARIS AIR SHOW

## Emphasis on development of existing aircraft

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

OVER 170 different kinds of civil and military aircraft from nearly 20 countries will be on display both in the air and on the ground at the Paris International Air Show, which is being held at Le Bourget, Paris, from May 30 to June 8.

A considerable number will be civil aircraft of various kinds, but one of the most significant trends this year is that almost all have been seen before, or are derivatives of existing aircraft. Only a limited number of new types will be on display.

Among the new types, the U.K. will be showing the small Lockspeiser "Land Development Aircraft"—a type of Aerial Land Rover." It is hoped that de Havilland of Canada will display its DHC-7 quiet short-take-off-and-landing aircraft.

It is also hoped that the Soviet Union will fly in its Yak-42 three-engined 100-120 passenger short-field tri-jet, which has engines mounted at the rear of the fuselage.

For the rest, the civil aircraft will reflect the current emphasis in the aircraft manufacturing field on derivatives of existing proven types of airliners or the emergence into passenger service of types that have been under development for several years.

This in turn is a reflection of the airlines' current economic difficulties, which have substantially slowed the pace of re-equipment.

This factor is not inhibiting the manufacturers, however, who were looking ahead to better times in the 1980s. It is expected that several will unveil models of designs they are now working on for the future—including Boeing with both its Series 300 version of the successful 727 medium-range aircraft and the "7X7" family of jets.

British Aircraft Corporation will probably follow suit and show models of its design ideas for the Series 700 and Series 800 versions of the One-Eleven short-medium-haul jetliner.

In the military field, the Anglo-West German-Italian Multi-Role Combat Aircraft, one of the major types for the future, will not appear because of pressures on its flight test programme.

Similarly, Northrop will not demonstrate its YF-17 prototype light-weight fighter since this will be busy in the U.S. supporting the development programme for the U.S. Navy's McDonnell Douglas/Northrop F-18 light-weight fighter choice.

General Dynamics, which has already won the U.S. Air Force contract for a lightweight fighter with its F-16, will be showing the aircraft at Paris. This is part of the company's overall campaign to swing behind it the additional orders from Belgium, Holland, Denmark and Norway for an aircraft to replace their ageing Starfighters.

The F-16 will be vying with other contestants in the Starfighter replacement stakes, including the Saab Viggen from Sweden and the French Dassault-Breguet Mirage F-1E.

In all, it is expected that, including static equipment demonstrations, there will be more than 575 exhibitors, making the show the biggest international one yet.

## U.K. 'does not try hard enough in Japan'

By Charles Smith, Far East Editor

TOKYO, May 20.

BRITISH COMPANIES do not try as hard as U.S. or West German concerns to develop sales in Japan, and do not respond so readily to inquiries from Japanese trading companies, a leading Japanese businessman who has taken a special interest in U.K.-Japan trade relations told me to-day.

Mr. T. Matsud, president-elect of Japan's third biggest trading company, Marubeni Corporation, said British companies were slow to respond to proposals for changes in design or specification which could make their products more suited to Japanese taste. In addition, a company such as Marubeni felt "continuous anxiety" over U.K. delivery dates.

Another problem which Mr. Matsuo said his own company experienced recently was the U.K. habit of "very carelessly advising Japanese buyers of price increases at short notice." Mr. Matsuo explained he knew of a case where a British company with a virtual monopoly of the Japanese market for a particular type of machinery had abruptly and recently raised its price by between 50 and 60 per cent.

Mr. Matsuo felt much of the trouble over British car exports to Japan, currently running at a mere 1,700 units, was, or had been, simply the U.K.'s inability to supply enough cars. British Leyland support for the sales efforts of its Japanese agent, Shintoyo Motors—half owned by Marubeni—had been "not necessarily satisfactory."

In future there would be a problem of adapting British cars to meet Japanese emission controls, but that could be solved by having a Japanese car manufacturers fit emission control devices to U.K. cars.

Mr. Matsuo declared that the company best fitted to perform that task for British Leyland would be Nissan Motor, which was linked to Marubeni through equity holdings.

Shintoyo, British Leyland's existing agent, was willing to expand its sales operations on behalf of BL as and when the company had cars available for the Japanese market. Marubeni would provide the funds needed for Shintoyo's expansion.

Mr. Matsuo is chairman of the British Market Council, a Japanese group formed 18 months ago to promote smooth trade relations with the U.K. He led the Japanese import promotion mission which visited the U.K. in the spring of 1973.

In a general comment on U.K. trade relations Mr. Matsuo stated that British businessmen seemed to be showing reluctance at present to join trade missions to Japan or to come as individuals to develop the market.

That could be put down to the U.K.'s economic troubles and to the shrinkage of Japanese imports, but trade between the two countries had to be promoted on a long-term not a short-term basis, he insisted.

On a final, optimistic note, Mr. Matsuo said he thought the Queen's visit had done a lot to remind Japanese buyers of the merits of U.K. consumer goods.

## Finance for copper project in Philippines

By Our Own Correspondent

MANILA, May 20.

THE Bank of America is heading a consortium of international banks providing finance for a U.S. $310m. copper smelter project in the Philippines. The smelter will be designed and built by the Finnish company Otokumpo and E. G. Meskey of the U.S. for Philippines Atlas Consolidated Mining and Development Corporation, the country's largest mining company. It will use the Finnish concern's smelter process under licence.

Mr. Charles C. Clarke, vice-president of Atlas, forecast that the smelter would be operative within three years at a cost of around $200m. A further $110m. would be required to exploit new orebodies. Contracts for finance of the first stage of development, costing $30m., will be signed this month.

The Philippines has no smelting capacity at present, sending its concentrates mainly to Japan for processing. The Atlas smelter is one of three planned to handle the country's 250,000 tons of copper production.

The head of one of the other consortia, Mr. Jesus Cabarrus, president of Marinduque Mining and Industrial Corporation, has called for the merger of smelter projects for the benefit of all Philippine copper mining companies.

## Israel offers chemicals against U.K. machinery

BY L. DANIEL

TEL AVIV, May 20.

ALTHOUGH THE volume of trade between Israel and Britain has more than trebled over the past six years, with U.K. sales to Israel reaching £219m. in 1974, the U.K. dropped to third place among Israel's suppliers last year, behind the U.S. and West Germany (previously third).

This is attributed in part to the reluctance of U.K. companies to make investments, enter joint ventures or conclude "know-how" agreements with Israeli concerns.

That British inaction left a vacuum which was then filled by companies from other countries, it was pointed out at a symposium here on Anglo-Israel economic relations, attended by Mr. J. S. Rooke, chief executive of the British Overseas Trade Board, Mr. Haim Bar-Lev, Israel Minister of Commerce and Industry, and 150 representatives of leading British and Israeli companies.

Nevertheless, Israel remained among Britain's 20 leading markets, her purchases exceeding those of the Soviet Union or the combined total of her five neighbours—Egypt, Syria, Jordan, Iraq and Lebanon, which came to £187m.

Israel was Britain's second largest market in the Middle East after Iran, Mr. Rooke declared. That was despite the fact that the U.K. supplied only 13 per cent. of Israel's overseas purchases, which consisted of many lines such as metals, machinery and transport equipment. Britain could provide those for the Israeli economy, which had been growing at an average annual rate of 12 per cent. over the past two decades.

An example of possible co-operation beneficial to both sides was cited by Mr. M. Makleff, managing director of Israel Chemicals. Israeli imports of chemicals from the U.K. exceeded exports of chemicals to the U.K. by more than two to one, which was also the overall imbalance of trade between the two countries.

Not only could that gap be narrowed, as it must be, but in the case of chemicals Israel had unique advantages, having at her disposal all the raw materials for the production of sophisticated fertilisers, Mr. Makleff stated.

Moreover, £40m. annually was to be spent over the next five years in expanding chemical production facilities so as to reach annual exports of £200m. in the 1980s—phosphates, potash, compound fertilisers and bromine products.

Thus, co-operation would also open the door for British machinery and an exchange of "know-how," with Israel having particular expertise in hot-weather compounds. There was also room for British companies to come in as management groups to supervise procurement and execution, he added.

The recent signing of the Israeli free trade zone agreement with the EEC would make for closer co-operation between Israel and the Nine, it was stressed. Israel, for her part, was now engaged in reorganising her industry and laying the infrastructure for the new pattern of foreign trade with Europe.

That in turn would require the import of new, sophisticated equipment, from Britain or elsewhere.

### Contracts Abroad

**SAIPEM** (ENI Group, Italy) will lay a 350km. gas pipeline in New Zealand from Oaoumi to Huntly, near Auckland, for £20m. Work begins in October, and will take 28 months.

**RAYMOND INTERNAZIONALE d'ITALIA**, Milan, will undertake power station piling work worth £13m. for the ENEL oil-fired station at Porto Tolle, near Venice.

**McCOLL ELECTRIC**, Melbourne (Stone-Platt) will build power generating equipment costing £250,000 for 15 locations along a 300 mile rail track from Mount Newman in N.W Australia to the loading wharf at Port Hedland.

## Irish trade mission in Moscow

BY DOMINICK J. COYLE

DUBLIN, May 20.

The first Irish trade mission to visit the Soviet Union is now in Moscow, headed by Mr. Justin Keating, the Minister for Industry and Commerce, who is to have talks on trade and related economic matters with his Soviet counterparts.

The mission, organised by the state-controlled Export Board and the Irish Exporters' Association, hopes to expand trade with the USSR, and particularly to generate increased business for Irish exporters. There is a considerable imbalance in existing trade in favour of the Soviet Union.

Ireland imported goods worth £16m. from the USSR last year against Irish exports of £8m. But the balance shifted markedly in Ireland's favour in the first quarter this year, mainly because of large sales of EEC intervention beef.

Over 90 per cent. of total Irish sales to the USSR in 1974 represented beef sold out of intervention. The major part of Soviet sales to Ireland was oil and associated products and timber.

### Export Contracts

**DUNLOP** is to supply latex foam pillows worth £250,000 to Australia.

**SIR WILLIAM HALCROW AND PARTNERS** has been awarded the consultancy for a proposed £8m. expansion of the Tapakuma irrigation project in Guyana. It will provide suitable infrastructure and drainage and irrigation, including levelling of 20,000 acres and clearing of another 7,000 acres for rice cultivation in the Essequibo area.

**KENT INSTRUMENTS** will make process instrumentation worth £100,000, with the assistance of its Brazilian distributors, for two Brazilian steel producers.

**McCANN** (Balfour Kilpatrick) will provide mechanical services worth £90,000 for the Irish Department of Education, at Athlone.

**ASTRALUX DYNAMICS**, Colchester, will supply switchboard plugs valued at £12,000 to the Middle East and relays worth £34,000 to Spain.

**INTERNATIONAL AERADIO** has a consultancy contract from Abu Dhabi to determine, specify and supervise installation of an air traffic control radar system and an airport information system at Abu Dhabi airport.

**CABLE AND WIRELESS** has a two-year consultancy contract for a submarine cable system under the Red Sea to link Jeddah, Saudi Arabia, with Port Sudan, offering high-grade communications between Saudi Arabia and East Africa.

**GEC-ELLIOTT MECHANICAL HANDLING** will instal a passenger baggage handling system for Kuwait Airport at a cost of £750,000.


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## IN BRIEF

### Ships for Cuba

Williams and Glyn's Bank has lent £7.7m. with ECGD support to Banco Nacional de Cuba to finance four Austin and Pickersgill SD14 cargo vessels bought by Emprese Navegacion Mambisa.

### Pilgrim census

Economist Intelligence Unit is to study the transport of pilgrims to Mecca for a proposed Saudi Transport Company, including determination of financial resources required to set up and operate the company, which would also provide inter-city transport through the kingdom.

### Canadian car sales

New car registrations in Canada fell 9.1 per cent. in January-February to 87,775 units (96,538 a year earlier), including 12,839 of foreign make (15,141).

### S. African deficit

South Africa's April trade deficit was R131.1m. (£83.79m.) against R86.2m. (£55.1m.) a year earlier. Over the first four months there was a deficit of R495.6m. (£316m.) from imports of R1.86bn. (£1.19bn.) and exports of R1.36bn. (£670m.). The comparable 1974 deficit was R416.3m. (£266m.). The figures exclude exports of gold bullion and imports of military equipment and some mineral oils but include Krugerrand sales.

### Toyota in Australia

Toyota Motor and Nissan Motor have reached "broad agreement" with the Australian government on the use of idle Chrysler Australia facilities for a joint engine production venture. But Toyota said many difficult problems remained to be resolved, including scale of output and whether engines could be used for different car models of the two Japanese companies.

### ECGD support

ECGD has guaranteed a £2m. Williams and Glyn's line of credit enabling buyers in France to order U.K. capital goods and associated services worth £2.5m. The finance is available to Credit Commercial de France. Minimum contract value is £10,000.

# AMERICAN NEWS

## New cuts ordered in Ford car output

BY GUY DE JONQUIERES

NEW YORK, May 20.

MR. HENRY FORD II, Chairman of Ford Motor, has all but ruled out the possibility of an up-turn in the deeply-depressed American car market during the coming months and has ordered fresh cutbacks in the company's production schedules.

In one of the gloomiest assessments yet to come out of Detroit, Mr. Ford told an impromptu Press conference yesterday that it is now clear that the widely anticipated spring sales recovery has not materialised and that he has "written off" the 1975 model year, which ends in early autumn.

Mr. Ford said that he did not know what would happen in the final quarter of this year after the new 1975 model cars go on sale, but added that he saw no signs of "a significant upturn." "I thought we'd hit bottom," he said. "On the other hand, that doesn't mean we're going to go up. We're going to rock around on the bottom for a while."

The Ford chairman also revised downwards his forecast of full-year U.S. sales of domestic and imported cars to between 8.0m. and 8.3m. units from an earlier prediction of 8.4m. If sales are at the lower end of this range, 1975 might be no more than a break-even year for Ford, which has said it expects to make profits when total sales exceed 8.1m. units.

Mr. Ford's full-year forecast is the lowest yet made by any senior motor company executive and compares with total sales of 8.8m. units last year and a record 11.3m. in 1973. During the first four months of this year almost 2.6m. cars were sold, though in each of the past three months more than 21 per cent. of the market was captured by imported makes.

The production cuts at Ford—the second round ordered within the past few weeks—will reduce second quarter planned output to 521,000 cars. This is 4.5 per cent. less than the company previously envisaged and 8.5 per cent. less than had been planned as late as the end of last month. It is almost 13 per cent. less than the 596,000 cars which Ford built in the same quarter of last year.

Mr. Ford did not say whether he expected the new cutbacks to result in additional lay-offs or assembly plant closures. But he said that the company will probably not be recalling workers already laid off for the remainder of the 1975 model run, which will end in early-to mid-summer.

Mr. Ford also said that the company intends to seek a "substantial" price increase on its 1976 models, adding that an average of $300 per model is not out of the question. This would amount to about six per cent., or a somewhat smaller proportional increase than the 11 per cent. price rise which Ford implemented at the start of its 1975 model year last autumn.

The Ford chairman is known for his outspoken views and has adopted a consistently more pessimistic attitude towards the car industry and the U.S. economy in general during the past few months than have other senior Detroit executives.

The most bullish forecasts have been heard from General Motors, which appears to be standing by its previous forecasts of full-year sales totalling about 8.5m. But unless the car market improves, this prediction may have to be revised downwards along with second quarter production schedules.

See 'Detroit is ailing,' Page 18

## Senate push to standardise Nato forces' equipment

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, May 20.

IN AN ATTEMPT to achieve greater uniformity of Nato arms and military equipment, the Senate Armed Services Committee has agreed that the U.S. should try to standardise all its military hardwear intended for American forces in Europe with its other Nato allies.

The move is expected to put more steam into the debate on rationalising the alliance's weapon procurement policy which will get under way in the Nato Defence Planning Committee on Thursday and Friday when the U.S. Defence Secretary, Dr. James Schlesinger, replies to the European standardisation proposals worked out in the Eurogroup.

Last week, the Senate Armed Services Committee unanimously approved a three-part amendment to this year's Defence Appropriation Bill, sponsored by Senator Sam Nunn of Georgia. It requires all defence equipment in Europe or intended for use there to be standardised and interchangeable with the equipment used by allies. It also specifically encourages the Secretary of Defence to buy more military equipment in Europe by exempting him from the Buy American Act of 1933 and requiring new procurement procedures.

Finally, it requires an annual report on weapons standardisation to be submitted to Congress by the Secretary of Defence with his annual budget and calls on him to justify the procurement of any non-standard pieces of equipment.

The amendment can still come to grief on the floor of the House of Senate, of course. But in the meantime, it represents further evidence of the interest Congress is now showing in eliminating some of the waste involved in current Nato procurement procedures, which a report prepared by independent consultants for the U.S. Administration estimates at between $10bn. and $20bn. a year.

The U.S. administration is also strongly committed to greater weapons' standardisation and believes that the pressure on all military budgets at the moment at last makes some real progress possible. It remains to be seen whether individual allies will be prepared to accept the sacrifices as well as the advantages involved, and whether the targets the Eurogroup will suggest this week are going to be welcome to the Americans.

## Decline in interest rates continues

By Jay Palmer

NEW YORK, May 20.

KEY SHORT-TERM New York money market and corporate bond interest rates continued to decline sharply this morning in response to the Federal Reserve's easier monetary stance and last week's discount rate cut.

Over the last few days a number of major banks, including Chase Manhattan and Bank of America, have cut their prime lending rates a ¼ of a point to 7½ per cent. Hopes are increasing that a banking industry 7 per cent. prime might be established within weeks.

With Federal funds now being allowed to trade at just over the 5 per cent. mark, it is now being widely accepted that the FED has cut its targeted intervention rate by ½ a point to between 4¾ to 5¼ per cent. Given the usual relationships between Federal funds and other money rates, it is predicted that both certificate of deposit and commercial paper rates will decline to around 5½ per cent.

## Argentine journalist murdered

By Robert Lindley

BUENOS AIRES, May 20

ONLY TWO of Buenos Aires' six Spanish-language morning newspapers appeared to-day as a result of the killing—apparently by the extreme Right-wing murder squad, the Argentine Anti-Communist Alliance (AAA)—of a financial journalist.

The bullet-ridden body of the journalist, Jorge Money (29), was found on Sunday night near Buenos Aires' Ezeiza International Airport, as have the bodies of several other AAA victims. The dead journalist, who was not known to be a member of any political group, wrote for the financial section of the independent La Opinion.

The two newspapers which appeared this morning are the Nationalist - Peronist - Catholic Mayoria and the sensationalist tabloid Ultima Hora.

La Opinion is one of the two Buenos Aires morning newspapers which on the week-end came under attack in Government commercials on television for "dissociating intentions" disguised by "conditioned support for certain measures of the Government." The other is the 66-year-old El Cronista Comercial.

## Democrats bid to override Ford on strip-mining Bill

BY ADRIAN DICKS

WASHINGTON, May 20.

LEADERS OF the Democratic majority in the House of Representatives will try to-morrow to override President Ford's decision to veto for the second time a Bill that would place strict environmental standards on strip-mining for coal.

Neither the Democrats nor the White House can be confident of winning the vote at this point. But whichever way it goes, the Bill's fate will mark a decisive stage in the President's continuing efforts to use America's vast coal deposits as a primary weapon in his campaign for independence from foreign crude imports.

The Bill, drafted in close co-operation with the environmental lobby, would require mining companies to restore stripped land to its original contours and character after operations ceased. It would also ban strip-mining on land where restoration could not be carried out or on steep hillsides where topsoil would be washed away.

President Ford objects to these strict controls on the grounds that they would seriously reduce potential U.S. coal output, make permitted production much more expensive, and thus tend to increase dependence on other forms of fuel. Mr. Frank Zarb, the head of the Federal Energy Administration, warned yesterday that this could only mean greater reliance on imported oil. He claimed that the Bill would cut coal output by between 40m. and 160m. tons a year, as well as costing some 36,000 miners their jobs.

In preparing the ground for Mr. Ford's veto, the White House has also been making much play of the failure of Congress so far to come up with alternative energy plans of its own. This morning Mr. Zarb said bluntly in a television interview that the consequence of this would be to invite a new embargo by oil producers against the U.S. that would make the effects of the 1973-74 embargo "look like a picnic."

In addition to vetoing the strip-mining Bill, the President is also trying to push through a proposal to remove over a two-to-four year period price controls on domestically produced crude in order to give the oil industry the incentive of a sure return on new exploration. This plan, too, has met an unenthusiastic reception in Congress.

## Court says aid to U.S. private schools illegal

By Adrian Dicks

WASHINGTON, May 20.

THE SUPREME COURT yesterday handed down a decision that is expected to inflame still further the debate over education in America when it ruled that much of the financial assistance provided by State Governments to private schools is unconstitutional.

Acting in a case referred from Pennsylvania, the Court decided by a 6-3 majority that the first amendment to the U.S. Constitution, prohibiting established religion, was violated by the use of public money to pay for a number of special courses in church-operated schools such as speech therapy and other programmes for children with learning handicaps. It also disallowed the use of State-provided teaching materials, laboratory equipment and the like.

THE CANADIAN ECONOMY

## Militants on the move

BY JAMES SCOTT, TORONTO CORRESPONDENT

CANADA IS traversing a very stony path as it tries to emerge from a steadily deepening recession aggravated by a continuing if slightly lessened rate of inflation, a high rate of unemployment that may get worse, and chaos in some parts of the labour scene. The Consumer Price Index rose by 11.1 per cent. in the 12 months to April; unemployment, at 7.2 per cent. seasonally adjusted, is as high as it has been in 14 years; and a trade deficit in January-March running at a seasonally adjusted rate of $2.5bn. p.a. has helped to depress the exchange rate of the Canadian dollar.

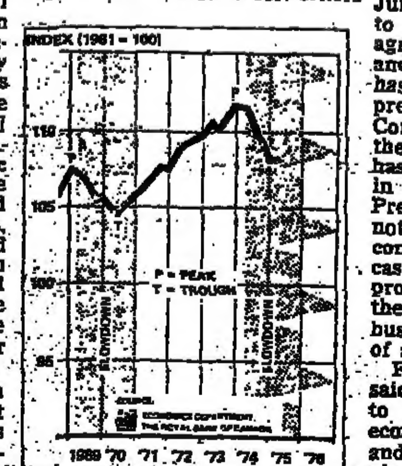
After two years of self congratulation over the country's uniquely fortunate position in the world, Canadians will therefore have to face some unpleasant truths this year. Most are not psychologically prepared for the crunch that may be coming. A net self sufficiency in crude oil (with exports balancing imports) enabled Canada to escape most of the effects upon other industrialised countries of the sharply higher oil prices. But even though Canadian oil prices are still low compared with those in the rest of the world, the economic situation in Canada is deteriorating. The mood of complacency that was encouraged by the expectation that Canada could grow rich by selling scarce food and minerals to the rest of the world is rapidly disappearing. A further sharp rise of unemployment is being forecast, accompanied by a severe drop in corporate profits, and possibly the postponement of some important investment projects. That is far from the outlook that Canadians had been led by their Government to expect.

The Government had fallen into the habit of repeatedly emphasising that Canadians were better off than anyone else in the world, and Prime Minister Pierre Trudeau once promised that his Government would wrestle inflation to the ground. In many respects, Canadians still are better off than people in most countries, but the consequence of such complacency is that individuals and groups are insisting on getting more than a full share of the national income. The population is ill-prepared to face the economic adjustments that must be made because of the decline in world demand for the metals, minerals, grain, timber, newsprint, and other products that have been the backbone of Canada's world trading position. The trade unions have been becoming more militant than ever in their history.

The revolt of a construction workers' union in Quebec against the provincial government's decision to place under trusteeship four of its branches following the revelation that they were controlled by hoodlums and gangsters is really only a symptom of what has been going wrong in the labour sector for many years. The 3,000 men building the Olympic sites in Montreal went off the job for two weeks in their battle with the Quebec Government.

The trouble in Quebec, which no doubt has influenced unions in other parts of Canada, goes back to 1965. The same construction workers who are challenging the provincial government now, at that time refused to complete the Expo site for the official opening in Canada's Centennial year, unless their demands were met. A nervous establishment capitulated. Encouraged by the precedent, the St. Lawrence Seaway workers struck a year later, demanding parity with those in the U.S. and not for one minute expecting it. But they got it, and the ripple effects are still being felt to-day.

In a few weeks 180,000 members of the United Steelworkers of America begin bargaining. A policy statement adopted by the union said that the settlements must provide workers with an equitable share of the growth in national income and productivity that has taken place already. This union will play a pace-setting role in labour bargaining this year. It has rejected the idea of restraint. Specific wage demands have not been spelled out, but there will be heavy emphasis on cost of living benefits, improved pensions and greater union control over health and safety matters.




The Royal Bank composite index has stopped falling, but acording to the bank economists sufficient data are not yet available to determine whether this represents a genuine turnaround of the Canadian economy.

Boiling it all down, one has to wonder what Mr. John Turner, the Finance Minister, will have to say in his Budget in early June. Mr. Turner has attempted to get business and labour to agree to voluntary limits on price and wage increases. The attempt has failed. Mr. Joseph Morris, president of the Canadian Labour Congress, is powerless against the militants. Their aim, which has become increasingly obvious in their confrontation with Premier Bourassa of Quebec, is not just money and working conditions, but power. In any case, neither the federal and provincial Governments, with their runaway expenditure, nor business itself have given much of an example of restraint.

Finance Minister Turner has said that his budget will respond to the substantial changes in economic circumstances at home and abroad that have taken place since his previous expansionary budget last November. Measures may be taken sharply to curtail consumer spending or credit. Personal income taxes may be increased. Mr. Turner will have to deal with a far more complex set of issues encompassing wage and price restraint, monetary and fiscal policies, energy prices, and the value of the Canadian dollar which has been slumping in recent weeks under the impression of the trade deficit and of U.S. interest-rate trends. A stable political climate and a stable labour market in Canada have been the magnets that attracted foreign capital to develop Canadian resources. That stability is at risk.

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## OVERSEAS NEWS

# Saigon cash crisis adds to law and order problem

SAIGON, May 20.

A CASH crisis has hit Saigon and, according to one foreign businessman, the city's Military Management Committee has already advanced large loans to some local businesses to enable them to function.

None of the foreign-owned businesses has received aid, however, and, with the continued closure of the banks, finding the cash to pay employees has become a problem.

People can be seen gathering at impromptu foothpath markets to sell their possessions—especially radios—to raise a few piastres.

Most hurt by the present pinch are former soldiers of the defunct army of the Republic of Vietnam (ARVN). Jobless, they wander the city, sometimes turning to crime.

Soldiers who now have no jobs once received 8,000 to 10,000 piastres a month and had many opportunities for corrupt activities to boost their incomes. To-day, they constitute potential trouble for law and order.

Liberation Army soldiers present a different law and order problem, and after some days of laxity, the authorities have begun to assert their control.

Loudspeakers at the central market announced that Liberation Army soldiers were now forbidden to buy radios, watches or gold in the market area. Police patrols were stepped up to enforce the orders.

Some soldiers had been seen selling what was thought might have been army petrol to civilians in order to have money to buy goods, and merchants were ordered not to sell to them.

Even with its multiple other problems, it was expected here that the Government would immediately tackle its economic difficulties.

Law-and-order moves include an absolute ban on firing explosives or setting off firecrackers. Some could still be heard for a while afterwards, but much less than in the previous week.

Foreign correspondents here were still hampered by lack of serious contact with the Management Committee, eager to please in solving administrative problems but "absent" when pressed for news or confirmation of reports.

Most foreign correspondents have now been granted exit visas. The exceptions are Americans, who were told that their requests were still being considered.

Meanwhile, the railway line between the northern cities of Hue and Da Nang in South Vietnam has been repaired fully, according to Radio Saigon monitored in Singapore.
Reuter

Stewart Dalby adds: Rumours are now sweeping Saigon of summary executions in the streets of thieves and looters caught red-handed. While there has been no official confirmation—or, indeed, indication—that a policy of instant killing of criminals has been instituted by the Military Management Committee, details of several well-substantiated incidents have reached various members of the Press corps.

One man caught stealing was shot by a new police team and his body left out in the blazing sun for three days. A handwritten notice attached to it said: "This man has been shot for stealing."

In another event, several Liberation Forces soldiers were driving in Cholon, the Chinese quarter of the South Vietnamese capital, when they saw someone trying to steal a motor cycle. They immediately fired at him with their AK 47 rifles and left his body in the street. Looting and stealing has been a serious problem in Saigon since the takeover of the city by the Communists on April 30. The old Saigon regime's police force was disbanded and the occupying troops did not carry out police functions. Recently, the military Management Committee, which is continuing to administer the city, has set up small patrols of Siagonese young people, both to direct traffic and to enforce law and order. Often they are young girls with no uniforms and only red armbands to identify them as police.

# Cambodian gunboat 'defects' to Thailand

BANGKOK, May 20.

A CAMBODIAN gunboat involved in last week's capture of the U.S. cargo ship Mayaguez was said to-day to have defected to Thailand after throwing overboard a Khmer Rouge soldier.

The Thai Navy confirmed that a patrol craft of the Cambodian Navy sailed into Sattahip on May 15 with its 10-man crew seeking asylum. This was just three days after the Cambodian seizure of the Mayaguez and the same day on which U.S. marines moved in to rescue the ship from Koh Tang island.

A Thai Navy spokesman said the crew were disarmed and held in detention. He declined to say more. But informed sources said the crewmen had told Thai authorities their vessel—a 170-foot craft with a 75 mm gun mounted forward—had taken part in the seizure of the Mayaguez and other vessels.

The crew said their ship had been filled with Khmer Rouge soldiers when they set out from port, but the soldiers gradually left the boat as boarding parties until only one was left. Then, said the sources, the Cambodian sailors threw the Khmer Rouge trooper overboard and sailed for Sattahip.

The gunboat's arrival was a major headache for the Thai Government, already embarrassed by the affair of warplanes flown here by escaping South Vietnamese pilots after the fall of Saigon and demanded back by the new Government there. The sources said Thai authorities ordered the Navy to paint out the Cambodian vessel's markings and tow it off to a remote corner of the Sattahip navy yard.

Official spokesmen in Bangkok declined to discuss what the response would be to any Cambodian demand for a return of the gunboat. Already the Bangkok Government has a dispute on its hands with the new Saigon regime, which has said Thailand's refusal to hand over the defecting warplanes is holding up the establishment of diplomatic relations.

● A battalion of Pathet Lao troops was reported to have entered the southern town of Savannakhet, where a dozen Americans are being held under house arrest by student demonstrators, Pathet Lao sources said in Vientiane.

They said the soldiers entered the town yesterday to maintain security "in collaboration with the Vientiane side," and were welcomed by the local population. Savannakhet, 150 miles south of Vientiane, was formerly controlled by the Rightist side, but has now become neutral territory like Vientiane and the royal capital of Luang Prabang.

Informed sources said a delegation from the coalition Government is due to fly to Savannakhet to-morrow—after several delays—to try to arrange the release of the Americans, held in their homes since anti-American demonstrations last Wednesday.
Reuter

# Vorster angry at report of summit meeting 'bid'

CAPE TOWN, May 20.

PRIME Minister John Vorster said to-day a report that South Africa sought to arrange an African summit conference was "calculated to sow suspicion and disturb relations." But he did not specifically deny the report, saying: "We regard it as beneath our dignity to make any comment or to point out the obvious inaccuracies which abound in the report."

The Prime Minister issued a statement reacting to the story in The Times of London. This quoted letters exchanged between Mr. R. F. Botha, chief South African delegate to the United Nations, and Mr. Stephen Tolbert, late Finance Minister of Liberia and brother of President William Tolbert.

President Tolbert was reported to have said he would do whatever he could to arrange meetings between Mr. Vorster and President Kenyatta of Kenya, President Mobutu of Zaire and General Gowon of Nigeria as a prelude to a summit with them and President Tolbert, provided Mr. Vorster demonstrated his sincerity in seeking change in Southern Africa.

Mr. Vorster's statement said: "To us it is strange and unethical that so-called confidential information said to have been given by the deceased Minister of Finance of Liberia to a newspaperman should be published after his death when he could not react, and in such a way that can only be calculated to sow suspicion and disturb relations between South Africa, Rhodesia and other countries which are engaged in a serious effort to find a peaceful solution for delicate problems.

Mr. Stephen Tolbert died in an air crash last month.

● Salisbury: A five-member delegation from the African National Council (ANC) is expected to hold talks this week with Rhodesian Prime Minister Ian Smith, after a two-month break, the ANC Vice-President, Dr. Elliot Gabellah, said to-day.
Reuter

# Egyptian shares on sale

CAIRO, May 20.

A *PRESIDENTIAL* decree, announced to-day, providing for the increase in capital of public sector companies through the issue of new shares, will allow Egyptians to become shareholders of these companies for the first time in 14 years.

Priorities will be for those working in the companies, and if they fail within a month to cover all shares, the rest will be made available to other Egyptians.

The public sector was created following the 1961 Socialist laws by the late President Nasser where all banks, insurance companies and almost all big factories and companies were nationalised.

The newspaper Al-Ahram said executive steps to put the Presidential decree into effect are under way. These include the percentage of new shares and fixing the maximum holding and price of the new shares. The move, observers believe, is likely to attract private savings still hesitant to come out despite the *two-year-old open-door policy* by President Sadat to liberalise the country's economy.

Fears of seizure, sequestration and nationalisation—all common under Nasser—has led many Egyptians to hoard their savings at home.
Reuter

## JAPAN-CHRYSLER AUSTRALIA LINK

TOKYO, May 20.

TOYOTA MOTOR Company Limited and Nissan Motor Company Limited said they reached broad agreement with the Australian Government on the use of idle Chrysler Australia Limited facilities for a joint engine production venture.

But Toyota said many difficult problems remain to be resolved before going ahead with the project, which would also involve participation of the Australian Government and Chrysler Australia.
Reuter

CHINA AND EUROPE

# A honeymoon to come

BY COLINA MacDOUGALL

THE MAYAGUEZ affair has caused the Chinese to take a much tougher line with the U.S., but it is still unlikely, despite harsh words from Peking about U.S. "piracy," that they want anything but reasonable relations with Washington. Forced to choose between voicing support for a new Communist Government whose protector it would love to be, and a discreet silence, Peking had to be seen to be taking a hard line. But while Sino-U.S. relations may cool somewhat, and Europe, after Vice-Premier Teng Hsiao-ping's successful visit to France, may be more assiduously cultivated, fundamental changes seem unlikely.

One reason is that it would probably be counter productive at this time to push Washington on the question of Taiwan. U.S. sensitivity to being labelled weak or unreliable will probably prevent any movement in the near future on the question of transfer of full diplomatic recognition from Taipeh to Peking. Furthermore, U.S. readiness to use force in the case of the Mayaguez should discourage, as Secretary of Defence James Schlesinger has made clear in relation to North Korea's designs on the South, any underestimation of Washington's will to act in a military situation. To recover Taiwan, a key aim of Chinese policy, thus continues to require U.S. co-operation.

Vice-Premier Teng Hsiao-ping's visit to France last week in fact came at a very convenient time since it enabled the Chinese to continue to spell out loud and clear their belief in a united Europe and their fear of that other superpower in Moscow. Since the corollary of these two Chinese policies is the rapprochment with the U.S., it is still, presumably, as important as ever in Chinese eyes. Teng in fact underlined this when he was asked about the Chinese reaction to American use of force; he replied that China could do nothing.

**Now that Europe has shed most of its colonial ties, there are very few areas of conflict . . . the Chinese have begun to shed their insularity**

The view that major changes are improbable is supported by evidence that there is a greater degree of unity in the leadership in Peking on policy generally than there has been for some time. Since the National People's Congress in January, when the first properly constituted Government since the Cultural Revolution was set up, quite a wide range of leading members, including so-called radicals, have been associated with foreign policy. When Teng left for France, he was seen off by four senior vice-Premiers, including Chang Chun-chiao and Chi Teng-keui, both of whom rose to power through the Cultural Revolution. A few weeks earlier Chang had led the Chinese side in talks with the visiting premier of Tunisia, a respectably Third World but not markedly revolutionary country, while Chi Teng-kuei did the same for the Belgian Premier, Mr. Leo Tindemans, and his party.

The implication seems to be that the important element in Chinese foreign policy of friendship with non-revolutionary Governments both among the industrialised countries and the Third World is agreed upon not only by Premier Chou En-lai and the Foreign Ministry, but by the leadership as a whole. Even Chiang Ching, the radical Mrs. Mao, spent a great deal of time last autumn with the visiting Mrs. Ismelda Marcos, wife of the Philippine President. While this kind of evidence is certainly not conclusive—especially as Yao Wen-yuan, the most vociferous radical still appears to confine his foreign contacts to representatives of other Communist Parties, it is some indication that continuity of policy can be expected. This is important since good relations particularly with the U.S. but also with Europe seem at times to have been highly controversial. The resentment displayed against foreigners during the anti-Confucius campaign last year showed that.

Peking has been steadily building up its European policy since the early 1970s. In the 1960s, although the Sino-Soviet dispute was at its most virulent ideologically, Chinese overtures were more towards Africa and the stress was on support for revolutionary movements. European countries did not at that point seem to have much to offer Peking beyond trade, and a united Europe did not figure in Chinese thinking. Only France made much impact on Peking at that time: when General de Gaulle recognised Peking in the middle 1960s his independent nuclear policy and wariness of the U.S. struck a particular chord. After the Cultural Revolution and the demise in 1971 of Mao's designated heir, Lin Piao, Mao and Chou En-lai as the sole architects of Chinese policy came up with a much more constructive view of how good relations with other countries could further Chinese interests. This included not just a reappraisal of the U.S., but also of the medium-sized industrialised countries of the EEC. Once the Chinese realised the economic and political potential of the Community, they saw it as a future buffer against the Soviet Union and this became a cornerstone of their foreign policy.

Since then a stream of European leaders has visited Peking, and several more, including Chancellor Helmut Schmidt of West Germany and President Giscard d'Estaing, are due to go. Most important, perhaps, the Chinese have begun to shed their insularity and a senior leader, Vice Premier Teng, has now reciprocated the late President Pompidou's 1973 trip to Peking. Teng's visit appears to have been a success. While the French made it clear that they do not go along with the Chinese view that the main role of the EEC is to stand up against the Soviet Union, it was arranged that regular informal discussions on foreign policy should be held in future. When Britain will reach this level of exchange with Peking is far from clear; the Chinese are marking time at any rate until the referendum is over.

Now that Europe has shed most of its colonial ties, there are very few areas of conflict between it and China. Inevitably, the Chinese take the side of the Third World in any confrontation between developed and under-developed nations, particularly about the price of oil and other commodities, since they want to be seen as champions of the producers, but this seems unlikely to become serious at present. It looks as if Europe is about to embark on the sort of Peking honeymoon that has always been characteristic of new ventures in Chinese foreign policy.


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VOLVO

# AFM still facing dilemma in relations with parties

BY JANE BERGEROL — LISBON, May 20.

THE ARMED Forces Movement (AFM) General Assembly has failed to get to grips with the problems besetting Portugal's military rulers. Presumably the main point of yesterday's assembly meeting was relations between the military and the political parties, who have an increasing appetite for power. But another assembly meeting, presumably to deal with this vital matter, is to be called within a week.

Yesterday's apparent stalemate is being seen as something of a victory for the "soft" option - officers who oppose the squeezing out of the political parties from the Armed Forces-people alliance.

The assembly analysed what it calls "the counter-revolutionary risk" of elections. This follows a recent Communist Party analysis coming out against both municipal council and general legislative elections until the entire country is "free to make up its mind" without pressure of the kind it claims was present in the North and produced the moderate April 25 result.

The Communist-inspired offences against the Socialist newspaper Republica, which took the form of occupation of the newspaper by Communist workers, printing of a pirate edition yesterday and subsequent occupation by Copcon military security, has succeeded in silencing the only Socialist Party newspaper indefinitely.

To-day, inexplicably, the Information Ministry declared it had no power to arbitrate in the matter and that the paper would have to remain closed until the whole affair could be brought before a tribunal.

The Socialists, in spite of a rally on Monday, appear nonplussed at the current situation, and the only sensible comment on the political and economic crisis here has come from Dr. Alvaro Cunhal, the Communist Party Secretary-General, who seems once again to have the bit between his teeth. In a long speech at the week-end he said: "Global condemnation of the political parties by the Armed Forces Movement would be a grave mistake and would lead to breaking of ties between the Armed Forces and the people."

Dr. Cunhal's comments come as the AFM shows itself increasingly attracted beyong the Communist Party to the extreme revolutionary Left.

On the economic front, Dr. Cunhal called on workers not to strike, as "any further lowering of production will only be paid for by the workers themselves. We must tell two home truths. If unrealistic wage demands and productivity decreases continue to be made we will be travelling towards economic catastrophe and through economic catastrophe towards political catastrophe."

UPI adds: Hundreds of Socialists gathered outside the offices of Republica to protest against its suspension. The demonstrators chanted: "Kill the Communists."

## German aid pledge

By Jonathan Carr — BONN, May 20.

WEST GERMANY has assured Portugal that it will do all it can to help safeguard the development of democracy there, pledging economic aid and efforts to strengthen ties between Lisbon and the EEC. At the same time, Lisbon has renewed its assurances that it will not renege on its Nato commitments.

This emerged from the two-day visit here of the Portuguese Foreign Minister, Señor Ernesto Augusto Melo Antunes, who had talks with Chancellor Helmut Schmidt and Foreign Minister Hans-Dietrich Genscher.

Besides the DM70m. in credit already promised, Herr Genscher told his Portuguese guest that Bonn will use its influence within the EEC on behalf of a better trade deal between Lisbon and the Community. It is hoped that this may be arranged through a special conference between the EEC and Portugal to be held soon and for which Lisbon will soon publish a position paper setting out its requirements.

## U.S. company 'seized'

NEW YORK, May 20

OTIS Elevator Company said its Portuguese subsidiary, Otis Elevadores, was seized by a workers' committee with the "tacit consent" of the Portuguese Government.

Otis said in a statement the workers' committee over the last weeks asserted more and more control over the management, seized the premises, barred the managing director from his office and duties and coerced the 300 employees to refuse to carry out ordinary management instructions.

Otis said the seizure is tantamount to expropriation and it cannot be responsible for the business in Portugal of Otis Elevadores and that it would hold the Government responsible for any losses.

Reuter

# Widespread fears as Baader-Meinhof trial opens

BY JONATHAN CARR — BONN, May 20.

THE BAADER-MEINHOF trial of alleged terrorists begins to-morrow under conditions of the utmost security and amid widespread fears that the start might be the signal for new anarchist action somewhere in West Germany.

The lengthy preparations for the trial and the book of charges amounting to more than 350 pages are spectacular in themselves. But there are also political and social overtones which go well beyond those accompanying even major criminal proceedings.

Facing a court in Stammheim, a suburb of Stuttgart, are the pair which gave the group its name—Herr Andreas Baader, aged 32, and Frau Ulrike Meinhof, aged 40—along with two other alleged ring-leaders, Frau Gudrun Ensslin and Herr Jan-Carl Raspe.

The four, all arrested in June 1972, are accused among other things of involvement in five murders, of a series of attempted murders as well as of a series of bomb attacks, bank robberies and acts of arson.

Their apparent aim as revealed in their comments and writings has been the overthrow of what they see as the fundamentally corrupt system in the Federal Republic through urban guerilla warfare. They also see West German justice as corrupt. Thus it is not clear to what extent they will agree to answer questions or volunteer information during their trial, which it is thought could last for more than a year.

The trial is taking place in a fortress-like building of which it is said that even a bird would find difficult to approach without special authorisation. There seems to be something in this. Stuttgart-Stammheim has been made secure even against bomb attack from the air—at a cost of about DM12m. All those entering undergo the most stringent search. And the accused will face the court from behind screens of bullet-proof glass.

Few people imagine that even the most determined terrorist band could make any impact if it sought to force entry. But there is considerable nervousness that suspected terrorists in one of the groups believed connected with the accused might stage some spectacular action elsewhere. These fears have become all the stronger in the wake both of the West Berlin political kidnapping in February and the Stockholm Embassy drama last month. Accordingly security has been increased on likely targets.

Beyond these immediate fears there are other, perhaps more important, concerns involving the right to a fair trial and a full defence. The Baader-Meinhof affair has already had so much publicity and the accused have been referred to so often as though long since proved guilty, that it requires some mental effort to recall that the trial has not yet begun.

Further, there is concern that the State may be moving too far in response to an apparent terrorist threat, for all that its actions so far have been taken with the best of reasons and after lengthy deliberation.

Since the beginning of the year a defence lawyer can be excluded from taking part in a trial if suspected of having a conspiratorial relationship with his client. And last week the Cabinet approved a proposal under which—in some carefully defined circumstances—a judge could be present to monitor talks between defence lawyer and client. The fear now is that further terrorist action could force further movement along this path, which many people already regard with unease.

# Shah hopeful of restart to oil talks

BY GILES MERRITT — PARIS, May 20.

IN A MOVE to re-start the oil producer-consumer talks that ended in deadlock here in April, the Shah of Iran said in Paris to-day that he expected the conference to resume before September.

Speaking as he left the Elysée Palace after a lengthy private luncheon with President Giscard d'Estaing, the Shah commented: "I hope such a conference can take place before the end of the summer. Of course, he added, "some preliminary consultations will have to take place as soon as possible."

The Shah went on to say that he believed progress had already been made at a number of private consultations following the failure of the 10-member preparatory conference in mid-April. He stated: "The producer-consumer conference can be held before September if everything goes well."

Although the Shah's brief visit to France—at the end of a tour that has taken him to Venezuela, Mexico and the U.S.—was expected to result in fresh attempts by President d'Estaing to reanimate the French-sponsored energy meeting, the Iranian ruler's approach seems even more positive than was hoped.

The French feel that the Shah has a key role to play in reopening contacts between producers and consumers, and even before his arrival here last night were interpreting his warning of a new 30-35 per cent. OPEC oil price rise to offset inflation as a way of persuading the U.S. towards a more flexible attitude on its view that energy, rather than all commodity problems, should be the top priority of any talks.

Next week U.S. Secretary of State Dr. Henry Kissinger will himself be seeing President Giscard. He will be in France for a meeting of the governing Board of the U.S.-inspired International Energy Agency and also of the OECD Ministerial Council.

# Demirel speech angers Greeks

By Our Own Correspondent — ATHENS, May 20.

THE GREEK Government has sought explanations from Ankara of an interview in which Premier Suleyman Demirel was quoted as saying that Greece has no choice but to accept the de facto situation in Cyprus and there could be no political negotiations.

An official announcement said the Greek ambassador in Ankara to-day made a demarche to this effect to Turkish Foreign Minister Ihsan Sabri Caglayangil.

Although the announcement did not elaborate further, sources close to the Government said Mr. Caglayangil had accepted that publication of the interview, given to a French newspaper three weeks ago, was ill-timed and stressed to the Greek ambassador that it did not clearly convey Mr. Demirel's thoughts.

The sources said that if Mr. Demirel's statements were accurately reported, this showed Turkish policy was dangerously intransigent and clashed with efforts by Ankara to appear as seeking a top-level dialogue with Athens.

The sources said that unless more explanations were forthcoming, the statements cast doubt on whether the meeting betwen the Prime Ministers of the two countries, which had been scheduled to take place on the fringes of the Nato summit in Brussels next week, was indeed feasible.

The Greek Press to-day strongly condemned Mr. Demirel's statements, describing them as highly provocative.

Commenting on the three days of talks in Rome between the Greek and Turkish Foreign Ministers, which ended yesterday, the Greek Press stressed that no substantial decisions were reached.

The consensus of opinion was that Turkey showed no real desire for negotiations

The Cyprus issue and Greece's desire to develop association into full membership of the EEC will be among subjects to be discussed between Mr. Demetrios Bitsios, the Greek Foreign Minister, and Mr. Roy Hattersley, Minister of State in the British Foreign Office, who arrived here to-day.

Our Nicosia correspondent writes: President Makarios said to-day any final decision by the U.S. Congress to resume military aid to Turkey would render Ankara's stand on the Cyprus issue "more irrational, blackmailing and unyielding."

The Archbishop, who was commenting on the Senate's narrow vote yesterday to lift the arms embargo against Turkey, said he did not share the view that resumption of military aid would help soften Turkey's "intransigence."

## BREZHNEV 'ILL AGAIN' REPORT

MOSCOW, May 20.

LEONID I. BREZHNEV, General Secretary of the Communist Party, is again undergoing medical treatment, Western diplomatic sources said to-day. But they said that there is no serious concern this time about Mr. Brezhnev's health.

Mr. Brezhnev, who is 68, reappeared in mid-February after an absence of more than seven weeks which a Soviet spokesman later attributed to a "cold-type illness." Diplomatic sources said that they have been told by Soviet contacts that Mr. Brezhnev will be undergoing treatment "for the removal of discomfort." The nature of the illness was not given, but diplomats speculated it may be dental work.

UPI

## BRITISH TEAM IN MOSCOW TALKS

MOSCOW, May 20.

A BRITISH delegation to Moscow led by Trade Minister Peter Shore met Soviet officials headed by Deputy Premier Vladimir Kirillin to-day for talks aimed at expanding economic ties between the two countries.

British officials said that the delegation was hoping to examine prospects for putting into operation Mr. Wilson's February offer of credits worth up to £1bn. The delegation plans to stay in Moscow until the end of the week.

Reuter

# BL to keep sales presence in Spain

BY ROGER MATTHEWS — MADRID, May 20.

BRITISH LEYLAND plans to maintain a presence in Spain despite the fact that its manufacturing facilities in the country have now ceased production. This was stated here to-day by Mr. Albert Lawrence, who to-morrow is due to be named director of Leyland's European operations.

Leyland, via its 98.5 per cent. owned subsidiary Authi, produced its last locally built Mini on May 15. Negotiations are still going on in an attempt to sell the three Authi plants in Spain although some form of government incentive is clearly going to be needed before any deal can be signed.

Originally Leyland agreed to sell its Spanish operations to General Motors for £27.5m. but the American multi-national and the Government failed to agree on the conditions for the purchase. A plan for a five-company consortium to buy Authi was then mooted although this was quickly reduced to three companies and has now finally resolved itself to one. Authi subsequently suspended payments and began to run down its operations.

Seat, in which the Government and Fiat have 37 per cent. stakes, is understood to be willing to purchase two of the three Authi plants. Leyland, however, wishes to come to a global and not a partial agreement because, it was stated to-day, its prime consideration has to be the future of its 4,500 workforce.

The real sticking point seems to be over the engine plant at Corrales de Buelna where some 2,000 men are employed. Although Seat may be willing to purchase the assembly plant at Pamplona and the very much smaller light pressing plant there is no sign so far that it sees any purpose in bidding for the engine plant.

Leyland executives said to-day that the company would continue selling cars in Spain until at least the end of the year. There were some 10,000 cars in stock, although about half of these had been earmarked for export. Local warranties would continue to be honoured as would the supply of spares "at competitive prices."

Once existing stocks had been sold Leyland would continue to sell vehicles on the local market although these would have been manufactured in Britain, said Mr. Lawrence.

Leyland is still topping up the unemployment benefit for its workers provided by the Government but has warned that this cannot continue for much longer. Time was fast running out, the company said.

Although the future of the workers was the key to Leyland's policy the subject of price could not be discounted. However it is estimated that the British company could not now expect more than "a few millions" for the sale of Authi compared with the £27.5m. that was on the cards a few months ago.

# Political group wants U.S. President to cancel visit

BY OUR OWN CORRESPONDENT — MADRID, May 20.

SPAIN'S LARGEST illegal political group to-day delivered a letter to the American Embassy, calling for the postponement of President Ford's visit to Madrid at the end of this month.

The letter, which the Embassy confirmed had been brought to the attention of the Ambassador said the visit could affect future good relations between a democratic Spain and the United States.

It was signed by the "Junta Democratica" - which encompassed the Spanish Communist Party, the Partido de Trabajo, and a number of other smaller groups and prominent individuals.

Its principal platform is to work with any other parties pledged to the establishment of democracy in Spain.

The Junta stressed that the President's visit would tend to support the continuation of "the dictatorship and might prejudice the development of future good relationships between the two nations."

The visit also coincided with "the moment of greatest political repression for many years" and the state of emergency in the Basque country.

"The arrival of the President would presuppose approval for the acts of oppression going on here at the moment," the letter added.

In a reference to the renegotiation of the current bases agreement which is expected to be the main topic of President Ford's visit, the letter argued that any deal should be approved by both peoples, American and Spanish.

Asked if the letter was likely to have any effect on President Ford's plans, an Embassy spokesman replied: "You must be kidding."


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FT9

# Kissinger and Gromyko to meet again soon

BY PAUL LENDVAI — VIENNA, May 20.

U.S. SECRETARY of State Henry Kissinger and Soviet Foreign Minister Andrei Gromyko said in a communique issued jointly to-night after their two-day Vienna talks that they were "unanimous in emphasising their determination to continue to adhere firmly to the course of further improving and developing U.S.-Soviet relations in the interests of the people of both countries and of strengthening peace."

## Oustanding issues

Dr. Kissinger told the Press on leaving the Soviet Embassy that he and Mr. Gromyko would meet again soon to review outstanding issues, especially on the Middle East and the Strategic Arms Limitation Talks (SALT).

Mr. Gromyko agreed that the talks were "useful and necessary." He added: "We discussed some problems, all of them important."

Dr. Kissinger revealed at the airport that the meeting would take place after the Ford-Sadat meeting scheduled to be held in Salzburg on June 1 and 2 but before the next session of the Geneva conference on the Middle East. It is understood that the Gromyko-Kissinger meeting will be held in the first half of July but it is not yet known where. The communiqué did not refer to a forthcoming meeting.

The communiqué said that an exchage of views took place on bilateral relations, including questions connected with the further limitation of strategic offensive arms. It added that the progress of the Conference on Security and Co-operation in Europe and its speedy conclusion, the situation with regard to a just and lasting peace settlement in the Middle East, including the question of resuming the Geneva peace conference and other matters, were also discussed.

Both the communiqué and the statements made by the two Ministers at their farewell in front of the Soviet Embassy stressed that the talks, held in a "constructive spirit," were useful.

Dr. Kissinger and Mr. Gromyko had 11 hours of talks yesterday and to-day. Though as expected no breakthrough was achieved regarding missile verification, particularly about the giant Soviet SS-18 missile which has been tested both with one and several warheads, some progress appears to have been made enabling a resumption of SALT in Geneva, probably next month.

## Apparent agreement

The U.S. appears to agree to a relatively early conclusion of the Soviet-sponsored European Security Conference, provided the Soviets show what Dr. Kissinger privately called a "co-operative attitude" with regard to the Middle East.

Speaking at the airport, Dr. Kissinger once again stressed: "On the whole I am satisfied with the visit here and I leave with the conviction that relations between the U.S. and the Soviet Union are essential for the preservation of peace and for the progress of mankind, and that we will do our utmost to keep them on course."

# Soviet 'interests' off Norway

BY FAY GJESTER — OSLO, May 20.

RUSSIA'S naval build-up in the North, and its "vital interest" in retaining the right of free passage between Norway and Spitzbergen, will affect Norway's resources policy in its northern waters, Norwegian Prime Minister Trygve Brattell said here to-day.

Extensive economic activities in these areas could be regarded by Russia as a threat to its strategic interests, he told an audience at the Defence College in Oslo. Because of this, the Government believed that future exploitation of resources in these waters, and on Spitzbergen, must "be under Norwegian sovereignty," with Norway responsible for regulation, inspection and surveillance of oil drilling, fisheries and other economic activities.

# European 'rehearsal' for key series of meetings

BY MALCOLM RUTHERFORD

FOREIGN MINISTERS of the members of Western European Union (WEU) met in London yesterday for what amounted to a small scale rehearsal for the series of Ministerial meetings of key Western organisations which will take place over the next few days.

The Nato Defence Ministers are due to meet in Brussels on Thursday and Friday. Next Tuesday the Foreign Ministers of the members of the International Energy Agency will meet in Paris. On Wednesday, most of the same Ministers will be attending the Ministerial session of the OECD, also in Paris. The venue then switches to Brussels for the Nato Ministerial Council which is taking place at summit level next Thursday and Friday.

Mr. James Callaghan, the British Foreign Secretary, who chaired the WEU meeting, said afterwards that Ministers had had preliminary talks about some of the subjects which will be on the agenda of the other organisation.

These include the progress of the European Security Conference (CSCE) in Geneva which the Russians would like to culminate in a summit conference in Helsinki early in July. Mr. Callaghan said that Ministers agreed that they were willing to hold this meeting as soon as their basic conditions had been met.

It is understood that the Soviet negotiating team in Geneva has recently indicated that it has received fresh instructions from Moscow which would allow the Conference to be satisfactorily concluded, but has not yet revealed what these are. The Western side is proposing a package deal to settle some of the outstanding humanitarian questions, on which progress has been slow.

There will have to be some rapid developments in the next week or two, however, if the Hensinki summit is to take place in July.

WEU was founded under the Brussels Treaty of 1948 with Britain, France and the Benelux states as the original members. Italy and West Germany joined under the Paris Protocols of 1954. One of the main reasons it is kept going is that it could provide the legal framework for a future West European defence organisation.

# Italian strike hits schools, travel and medical care

ROME, May 20.

MORE THAN a million government workers went on strike to-day in a week of nationwide walkouts halting trains and planes, closing schools and suspending medical care.

The strikes came less than a month before the June 15 regional elections in which the Communists are challenging the Christian Democrats' claim to be Italy's dominant party.

Only Justice Ministry employees preparing election lists were excused from the walkout called by Italy's three biggest labour federations to demand reforms of public administration.

More than 300,000 state workers, 200,000 employees of state controlled companies and 500,000 local and regional government employees walked off their jobs in the daylong strike.

The unions called for reforms "to eliminate the waste and inefficiency existing to-day and at the same time exploit and make more gratifying the individual and collective professional contribution of the workers."

Firemen, who joined in the strike from 8 a.m. to 2.30 p.m., forced the closing of airports. Scheduled national flights from Rome's Leonardo Da Vinci airport were cancelled and intercontinental flights delayed.

The airport, closed almost daily since last month by a series of half or full-day strikes by individual unions, will be hit again to-morrow by a strike of Italian pilots over contract terms.

Other strikes over economic issues included:

- Railways—National 24-hour walkout halting all trains from 9 p.m. Wednesday.
- Schools—National two-day strike on Thursday and Friday.
- Doctors—National strike of public health and national insurance plan doctors Wednesday to Saturday. Closing of private clinics to all but urgent cases Friday and Saturday.
- Customs—Four-day strike begun Monday with refusal to work overtime for an indefinite period.
- Gasoline—Service station shutdowns mainly affecting the Lombardy and Marche regions of Central and Northern Italy.
- Treasury—Continuing strike blocking State payments and slowing State payrolls.
- Finance—Continuing strike blocking collection of value added tax and impeding implementation of Italy's new income-laws.

UPI

BELGIAN INDUSTRIAL COSTS

# The trouble with indexing

BY DAVID CURRY IN BRUSSELS

"WE APPEAR," La Libre Belgique commented acidly, "to have two Foreign Ministers." The official one, Mr. Renaat van Elslande, seemed perfectly capable of playing the international role his office conferred on him. It was about time the unofficial one concentrated on solving problems at home.

The "unofficial Foreign Minister," the paper hardly needed to explain, was Mr. Leo Tindemans, the Premier. At last year's Paris summit meeting of heads of Community Governments, Mr. Tindemans was entrusted with the task of drawing up a blueprint for the European Union. That task, apart from trips he has undertaken as a Belgian official (the latest to China) has kept him on the move around the capitals of Europe.

The comment was a bit unfair, but the concern was real enough, since the economic problems confronting Belgium are severe. Though these troubles are diverse, there is one overriding worry, the acceleration of wage costs.

Belgium is the world's largest per capita exporter: about half the jobs in manufacturing industry depend directly on exports. Some 70 per cent. of exports are sold in the Common Market. The Government estimates that Belgian wage costs are now on a par with those in the U.S. The Fédération des Entreprises de Belgique, the employers' organisation, calculates that in the past two calendar years wage costs have risen by 49 per cent. This does not seem disproportionately large in comparison with other countries with similar inflation problems.

But the rub comes when the Belgian rate of increase is taken in conjunction with the appreciation of the Belgian franc against most other currencies. If the rate of increase in wage costs in competing countries is adjusted to take account of the exchange rate, the comparison is much more unfavourable to Belgium. Adjusted in this manner the rise of Belgian wages compares with 34 per cent. in France in the same period, 40 per cent. in Germany, 26 per cent. in Sweden, and 16 per cent. in Britain.

The problem which wage costs pose for the Government is made more intractable because of indexation. It is generally acknowledged that fully two-thirds of the 25 per cent. rise of wage costs last year was attributable to the automatic monthly indexing of wages to the cost of living. Indexation has been practised in Belgium since shortly after the war. It is, as far as the unions are concerned, one of the fundamental articles of the social contract at the centre of Belgian politics. The employers have demanded an end to this automatic indexation in favour of a system which limits itself to preserving purchasing power rather than reflecting every single nuance of price changes. Jostling for competitive advantage in the month-long series of elections of workers' delegates to company Boards and advisory bodies, the unions are reluctant to budge, but the FGTB, a relatively hard line Socialist trade union group, has agreed at least to discuss the matter.

The unions argue that the most urgent problem is unemployment which is currently running at 160,000 or 6.2 per cent. of the work-force. They also point to the acceleration of the rise of the cost of living to justify the need to leave the indexation system as it stands. In April the annual rate of inflation was still in the region of 15 per cent. per annum.

Belgian Government consists essentially of working out a system of compromises between pressure groups representing different economic interests. The Government itself—always a coalition bridging differences of political viewpoint and usually of language—is in many ways primarily an arbitration service achieving compromise between these pressure groups which represent, among other groups, industry, labour, and small business.

Premier Leo Tindemans: Travel has not blunted his awareness of political realities at home.

The process started in March when the Government announced plans to lessen the impact of unemployment. It proposed to increase public investment to save some 20,000 jobs, and put more of the unemployed to work on public projects. In addition, the Government committed itself to playing a greater role in the oil and gas sector. At the end of April the Government took steps to reflate. It swept away the whole apparatus of monetary restraint. The 16 per cent. limit to the increase of commercial bank credits was abolished. The requirement that banks should devote 41 per cent. of the increase of their deposits to purchasing public bonds was dropped. The compulsory freezing of certain funds in non-interest bearing accounts was also abolished.

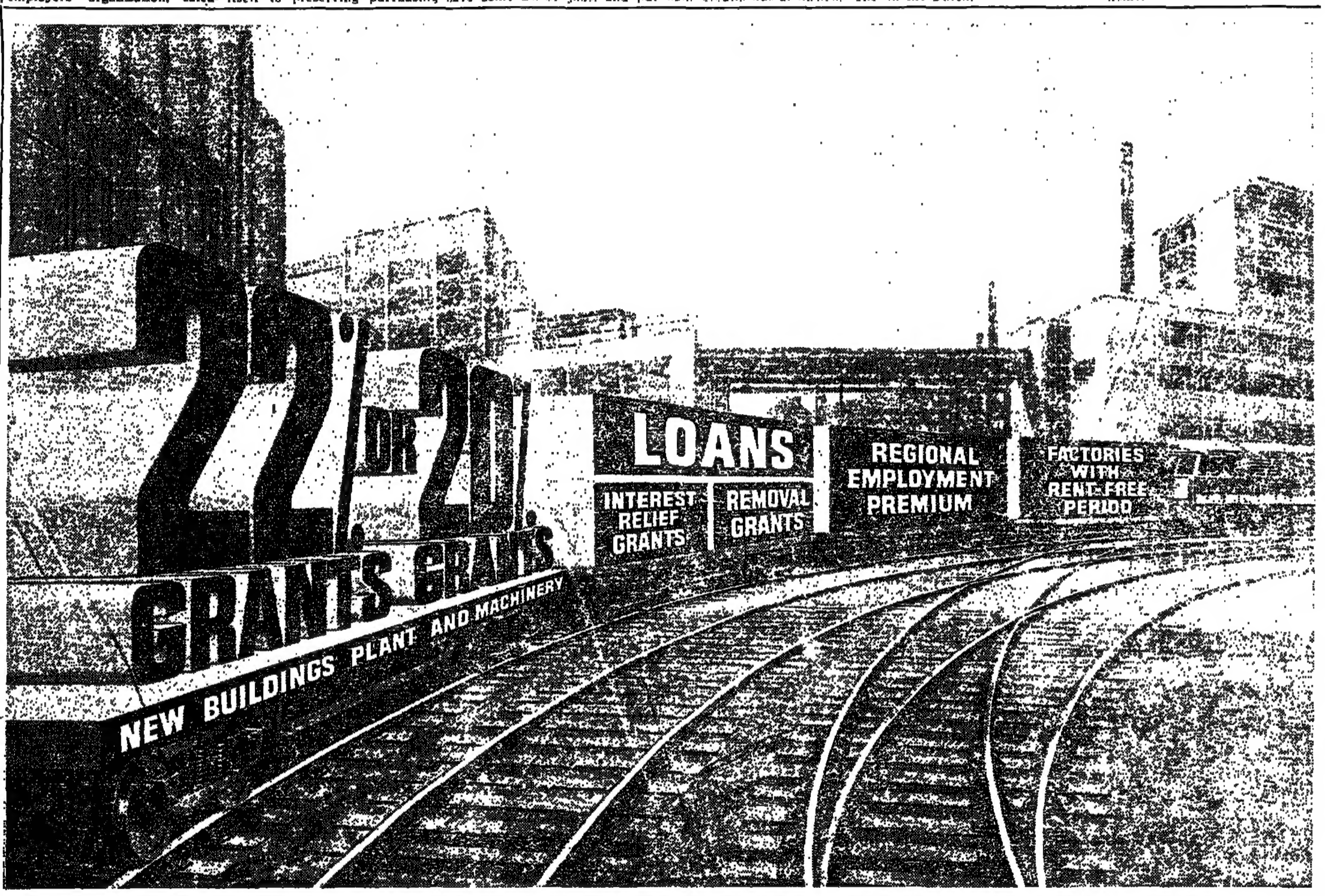
Since then there has been a steady flow of measures along the lines advocated by the employers.

On May Day, while the unions were at their rallies, the Government announced a surprise package: a two-month price freeze, described by Mr. Tindemans as a psychological shock to enable people to stop to think. The freeze is very partial. Exceptions cover oil, household electronics, non-ferrous metals, wood, all items subject to EEC pricing like coal and steel and important foods like eggs, and fish. Even with these exceptions, the Government will have difficulty policing the freeze. It has only 180 inspectors to cover every outlet in the country.

The recent measures have come in a rush and it is difficult to discern behind them the outlines of a consistent policy. However, the most convincing interpretation is that the policy is part of a cautious approach to revising the system of indexation, even if the index itself will not be altered despite the fact that its weighting has not been touched since 1967 and though it contains only 145 items against 900 in the German index or 880 in the Dutch.

There is another aspect to government policy which is only being hinted at. It seems probable that a decision has been taken to weaken the Belgian franc, perhaps with a view to devaluing it within the currency snake during the course of the discussions necessary to bring the French franc back into the snake mechanism. The trend is certainly in this direction. Though the trade surplus was maintained in the first two months, the capital account was very close to deficit. Belgians are buying foreign shares while the inflows of money to foreign subsidiaries which happened last year to provide finance during the credit squeeze have dried up. The March trade surplus will be seen to have shrunk when the figures appear and the evidence is of a further shrinking of exports in April. A trade deficit this year now looks on the cards.

The Belgian Government is not in a position to announce dramatic emergency packages of remedial measures in an economic crisis. It can move only when it has found an alliance of interests which permit it to piece together a consensus. As dribs and drabs of news about economic decisions filter out from the Government, it is clear that this process is now under way intensively. Travel has not blunted Mr. Tindeman's awareness of political realities at home.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# New house prices up by average 3% in first quarter

BY MICHAEL CASSELL

NEW HOUSE prices rose on average by 3 per cent. in the first quarter of this year, according to the Department of the Environment.

While the increase is bigger than any quarterly rise recorded during 1974, there are few indications that the housing market is set for another period of substantial price rises in the near future.

The rise should, however, be of some encouragement to builders who have faced sharply rising construction costs but have not been able to pass these on in price increases.

If the trend continues, they should be less reluctant to start new schemes, especially if the flow of building society funds is maintained.

The building societies themselves, as well as bodies like the Royal Institution of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers, have all recently subscribed to the view that another price explosion seems most improbable in the foreseeable future, although it is apparent that there will be a further move in prices after the standstill which persisted throughout 1974.

## Demand

The societies have pointed out that demand for homes is still slack in relation to supply and that houses are still historically expensive in relation to income.

The income/house price ratio is, however, narrowing rapidly and this could lead to substantial price increases when the ratio is in balance.

According to the Department, which bases its figures on prices for new housing at the mortgage approval stage, the house price index took a 3 per cent. leap in the first quarter of this year, following a rise of 0.5 per cent. in the preceding three months.

By comparison, prices last year rose by a maximum of 2.5 per cent in any one quarter last year and actually fell back in one three-month period.

The Department also gave the results of a 5 per cent. sample survey of mortgages actually completed rather than approved during the first quarter, providing less up-to-date figures on price trends.

While the survey showed a similar picture on the new-housing price-front, it suggested that prices for secondhand homes was almost unchanged from the last quarter of 1974.

In sales completed in the January-March period, for which mortgage advances would generally have been approved in the fourth quarter of last year, the average price of a new home in the U.K. was £11,590 while for second-hand homes the average was £11,080.

The average mortgage advance in the first three months of this year was £6,850, or just over 61 per cent. of the average price for all houses, while the average income of borrowers was £3,650, an increase of 2.5 per cent. on the previous three months.

Previous owner-occupiers, according to the Department, paid an average of £12,950 for their homes while first-time buyers paid just over £9,000.

# Wool textile industry sees little hope of upturn this year

BY RHYS DAVID

BRADFORD, May 20.

THE U.K. wool textile industry is not expecting any substantial upturn from present depressed levels of activity much before the end of this year, industry leaders forecast in Bradford yesterday.

Figures showed the industry was running in the first three months of this year at levels marginally below the same period last year when production was badly affected by the three-day week and substantially below the levels for the same period of 1973.

Compared with 1973, during the boom in textile demand, consumption of wool has fallen 25 per cent. and delivery of woven fabrics has fallen by the same amount.

The one encouraging sign has been the return in recent weeks to a much higher level of activity at the start of the production chain in wool combing, where the main companies are now very busy, after a period of depressed trading, with order books stretching through to August.

The demand for wooltops (combed wools) is coming, however, from overseas manufacturers rather than from U.K. spinners and is thought to be a reflection of the virtual emptying of the stock pipeline over recent months rather than of much higher levels of activity throughout the processing chain.

Parallel with the increased demand for wooltops there has been a return to much more active trading in the main wool markets in Australia and the Australian Wool Corporation, which earlier this year was obliged to buy in most of the wool on offer at a floor price of 250 cents, has recently had to begin releasing stocks of wool.

There remains uncertainty, however, about the attitude the Australian Government will adopt towards further support for the industry at the end of the present season in June.

The Australian Cabinet has still to discuss whether or not to continue the present floor price scheme or to modify it.

Despite the signs of increased interest at the coming stage, the chairman of the wool textile delegation, Mr. Roy Stroud, sounded a note of caution at the industry's annual Press luncheon.

He said that woollen and worsted manufacturers were not yet experiencing any upturn in demand and he warned that the return of better trading conditions could leave many companies with renewed liquidity problems.

He also warned of the danger to the U.K. industry's competitive position of continued inflation.

Mr. Stroud criticised the Government's apparent inaction on textile imports—now being considered by a Cabinet sub committee under Mr. Harold Lever, Chancellor of the Duchy of Lancaster. Mr. Stroud said the Government had accepted the validity of the industry's case but was hiding behind excuses rather than take action.

The industry remains seriously concerned at the continued weakness of the Japanese market—the main market for U.K. wool textiles in 1973, but seriously depressed both in 1974 and in the early part of this year.

Exports of woollens in the period January to March this year stood at only 748,000 sq. m. compared with 1.3m. sq. m. in 1974 and exports of worsteds declined from 1.3m. sq. m. to 616,000 sq. m.

There is also concern at the continued uncertainty over the outcome of the referendum on EEC membership, and the chairman of the industry's export corporation, Mr. Philip Brook, warned that wool textiles which last year had a trading surplus of £26m. with the Community stood to lose £50m.-worth of business in the EEC up to 1977 in the event of withdrawal, and 5,000 jobs.

The industry, which has already lost some 10,000 people in the past year as a result of redundancies and natural wastage, much of it caused by uncertainty over future prospects, is expected to put proposals before the unions shortly aimed at improving recruitment.

These are likely to include, for the first time, proposals to give workers in the industry a clearly defined career structure.

More Home News Page 30

# Labour retains city by casting vote

BY OUR OWN CORRESPONDENT

LABOUR RETAINED its overall control of Birmingham District Council yesterday by the casting vote of the retiring Lord Mayor.

A Conservative Lord Mayor, Cllr. Harold Powell, had been agreed unanimously for the coming year. But when the election results were known and Labour's majority dropped to nil, Labour nominated Cllr. Albert Jackson, a Labour supporter, as Lord Mayor.

Yesterday, with Labour's 63 seats only equalling the combined Conservative and Liberal seats, the vote for the new Lord Mayor was a tie until Cllr. James Eames, retiring Labour Lord Mayor, used his casting vote in favour of Cllr. Jackson.

Councillor Clive Wilkinson, Labour leader, told the council it was important that its business should run with continuity.

Councillor Neville Bosworth, Conservative leader, accused Councillor Wilkinson of arrogance. Birmingham had elected its mayors for the last 150 years by a unanimous agreement. Breaking of the agreement was politics at its worst.

# Multiple sclerosis costs economy £3m. a year

BY DR. DAVID CARRICK

MULTIPLE SCLEROSIS cost the British economy about £3m. in 1973, according to an Office of Health Economics report.

Two-thirds of the figure was attributable to incomes lost by sufferers from the disease forced to give up their jobs, for the disease afflicts young people almost exclusively. It is more common in women than in men, and about 50,000 Britons are affected to some degree.

The incidence of multiple sclerosis in Britain is more than twice the estimated world average, according to the report. It is particularly prevalent in the Orkneys, bearing out the observation that the disease is more common in the temperate zones, particularly in more northern latitudes.

Research as to causal factors favours a viral origin—possibly the measles virus—or an immunological reaction to unknown factors. But many abandoned theories, ranging from cosmic radiation to the consumption of sheep's brains, indicate the complexity of the problem, which continues to defy research workers.

The report sounds a note of optimism. It first emphasises that this disease of the central nervous system, disseminated in space and time, is not a chronic, progressive, disabling disease, leading inevitably to rapid and premature dissolution. Most sufferers have relapses and remissions, the latter sometimes lasting years, and relatively mild disabilities.

The report says that research is promising, and it pays high tribute to the efforts of the Multiple Sclerosis Society and to an action group founded last year and which is now registered as a charity called Action for Research into Multiple Sclerosis. Both are voluntary bodies urgently in need of money.

*Multiple Sclerosis; Office of Health Economics, 162 Regent Street, London, W.1.; 25p.*

## EXTRA TRAINS FOR HOLIDAY

Western Region of British Rail is running 74 extra main line trains from Thursday until Tuesday.

They will augment Inter-City services on principal routes from London (Paddington) to Bristol, South Wales and the West of England, together with the cross-country route linking the West Country with the Midlands and the North via Bristol.

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● NEWS ANALYSIS—STEEL

# Looking for a loser

BY HAROLD BOLTER

FEW INDUSTRIAL negotiations end in an honourable draw. Normally, both sides have to claim some sort of victory, win or lose.

Unfortunately, the discussions which have been taking place for the last month on the British Steel Corporation's need to save costs—most obviously through a reduction of 22,000 in its labour force—have involved three parties: the BSC management, the trade unions and the Government.

In this new situation, the rules of the game become blurred. Because there is a requirement for too many winners, a loser has to be found and it seems to have been generally decided that Sir Monty Finniston, the British Steel Corporation's chairman, should fill this role.

## Obvious

An examination of the events which led up to Monday night's agreement between the BSC management and the steel industry unions on ways of tackling the problem of cutting costs during an extremely serious recession would suggest that this judgment is unfair, however.

The steel redundancy saga really began at the start of October last year when Sir Monty forecast that the market for steel in the U.K. would fall by at least 15 per cent. during 1975.

He was the only leader of a major steel-producing country to make such a gloomy prediction at the annual conference of the International Iron and Steel Institute in Munich.

By the end of January this year, however, it was obvious that even Sir Monty was likely to be proved far too optimistic.

The end-of-year statistics produced by the international steel producers showed that orders had slumped by anything from 30 per cent. to 40 per cent. during the final quarter of last year.

In a sense, the BSC was better placed than anyone else at that time. Because of the three-day week at the beginning of last year, the Corporation still had a backlog of orders to work through. Nevertheless, it was obvious that a serious production and employment situation would have to be faced.

Before the BSC's management could do anything, however, it had to wait for the result of the review which Lord Beswick, Minister for Industry, was carrying out into the Corporation's plans for closing older works, part of the £4.5m. investment strategy it wants to carry out over the next ten years.

Lord Beswick produced an interim report on this review on February 4 in which he dealt with the Corporation's proposals for steelworks closures in England and Wales and deferred a decision on works in Scotland.

As a result of that report, the Corporation's management had to accept that some of the cost-saving it had anticipated this year through the closure of older works would not now take place.

For example, the closure of some of the BSC's operations at Hartlepool, with a loss of 2,800 jobs this year and next, was deferred to 1978.

A proposal that the BSC's East Moors works in Cardiff should be phased out from January next year, with the loss of employment for 4,700, was put back to January, 1980, at the earliest.

Although the Beswick report accepted that blast furnaces, steel plant and slabbing facilities at Ebbw Vale in South Wales should be closed, the 3,300 workers facing redundancy there were sufficiently encouraged by the Government's review to believe they could fight the decision.

Finally, any plans the BSC had for reducing its labour force in Scotland, where there are some very old works with obsolete equipment, were mothballed, presumably until after the Common Market referendum.

It is easy to see, therefore, that Lord Beswick's report, although it was meant to deal with longer-term planning, had an effect on the short-term situation facing the BSC management when it found itself deep into a steel demand recession.

In mid-March, the month following the Beswick report, the BSC's management started to talk to the steel industry unions about the need for cost savings—including the need to reduce overtime, the number of shifts worked in some plants, the suspension of the industry's guaranteed week arrangement and some redundancies.

At the beginning of April, the unions were told that the BSC was losing £2.5m. a week and that its trading position was getting worse. But they still refused to agree to the suspension of the guaranteed week or any form of redundancy.

Then, on April 22, Sir Monty Finniston held a dinner for industrial correspondents at which he stated that there would have to be "very substantial" redundancies.

He did not put a figure on the number of dismissals needed, but it was made known that 10 per cent. of the labour force—or 22,000 workers—would have to go over a very short period of time.

Since that statement, Sir Monty has found himself in a public debate with Mr. Wedgwood Benn, not only over the particular issue of redundancies but the general philosophy of how a nationalised industry should be managed.

Meanwhile, Mr. Bob Scholey, the BSC's Chief Executive, has reached an agreement with the steel industry unions which has features—no automatic replacement of workers who leave the industry, voluntary redundancies where this can be agreed locally, a reduction in overtime working, modified shift working arrangements—which the Corporation's management will be pleased to have achieved.

Most important of all, perhaps, this agreement was reached by the unions and the BSC management through the normal negotiating channels. Neither Mr. Wedgwood Benn nor Sir Monty were involved.

As the final discussions were brought back to the usual pattern of negotiations, there is no longer a need to look for a loser.

Terry Kirk

Ebbw Vale, where steelworkers were encouraged by the Government review

# Government to study N. Sea gas trunk line

THE DEPARTMENT of Energy is to commission a study into the development of associated gas in oil fields, including the possibility of constructing a North Sea gas trunk line system to gather production from smaller associated gas reserves.

The move, announced by Mr. Eric Varley, Energy Secretary, is an answer to fears that small amounts of gas produced with oil, not justifying their own pipelines to shore, could be wasted unless such a facility were built.

Relatively optimistic estimates have been made of the gas that may be discovered in oilfields, but only the Brent Field, north-east of Shetland, has proved to have enough gas to justify a distribution system to the mainland.

Other fields, such as Beryl, have reported reasonable amounts of gas associated with oil, but they have not proved justification of a pipeline investment.

The Government's study will thus presumably be directed to evaluating just how much gas is there and whether, added together, it would warrant a trunk line.

It is likely, however, to raise especial sensitivities in the exploration industry, particularly with Shell which is extremely nervous at the prospects of being forced to invest in an uneconomic pipeline routed for Brent to take in additional gas.

It also comes at a time when special problems are arising in the development of the Anglo-Norwegian Statfjord Field north-east of Shetland.

While the Norwegians have made clear their desire to see gas from the field piped south to the Continent or to Denmark and Scandinavia, the Gas Corporation is reported to have made clear its desire to buy at least the U.K. gas reserves in the field.

# Food shops hygiene 'appalling'

THE STATE of hygiene in food shops is appalling, according to a survey of 500 shops by the National Federation of Consumer Groups.

The report, published yesterday, says: "Consumers need and must be given greater protection against the health hazards discovered."

It lists six of the worst practices which the authors believe actively contribute to the contamination of food sold to the public. They are:—

1—Staff handling both cooked and uncooked foods with the consequent danger of cross-contamination.

2—Assistants' unprotected hair touching food when bending. More than 35 per cent. of assistants wore no protective headgear—and that worn was generally inadequate.

3—Bacteria "given a lift" by the practice of sticking plastic or metal labels into foods—an ideal way of transferring bacteria from one food to another, as the labels are noet cleaned before transfer.

4.—Many shops "unpardonably" allowing live animals inside their premises.

5.—Dented and rusty cans on sale.

6.—Almost 100 shops with frozen foods loaded above the freezer load line. Freezer thermometers in such a position as to be unreadable or, in many cases, not even provided.

The authors of the survey recommend that the Food Hygiene Regulations should be reviewed with the object of including a detailed list of the offences described above.

## REPAIR DEPOT

Datsun U.K. is to spend £250,000 on building a body repair shop near its distribution centre on Teesside. The depot will employ about 20 people, and will be used to repair cars damaged in transit from Japan.

## TOTE HOLIDAY SERVICE CUT

With 23 major meetings and five point-to-points over the Bank Holiday week-end, the Tote has been forced to cut some services.

*Forecast pools will operate only* on races where three, four or five runners are declared to start. Tote Daily Double and Tote Daily Treble betting will be confined to the eight Flat meetings scheduled for Saturday and Monday, and at Chepstow, a mixed meeting.

## ESTATE FOR GLASGOW

Weir Construction of Coatbridge is to develop a new industrial estate in the Darnley area on the south-west boundary of Glasgow. Outline planning consent for the building of industrial and warehouse units on an 82-acre site was given yesterday by the District Council development control sub-committee.

## FEES FOR THREE COLLEGES

Tuition fees are to be charged for the first time to students aged over 18 at three further education colleges in Ayrshire and Dunbartonshire.

Approval was given yesterday by the Strathclyde Region education subcommittee.

## MARKET PLAN

A new Glasgow fish market is expected to be in operation in the autumn next year to replace the market near Glasgow Cross which has been used for more than a century.

# SDLP protests about draft rules for Ulster Convention

BY OUR OWN CORRESPONDENT

BELFAST, May 20.

MR. GERRY FITT, Social Democrat and Labour Party leader, headed a delegation from his party to meet Sir Robert Lowry, independent chairman of the Northern Ireland Constitutional Convention, to-day to voice complaints about the draft rules drawn up yesterday by the standing orders committee.

The 12-man committee, representing the four main parties in the Convention and with a majority of Loyalists, completed its task after 25 hours fo discussions spread over six days. It is clear that the main SDLP complaint is about the form of the final report to be submitted to Westminster when the Convention has finished its deliberations.

The seven Loyalists on the committee, with the Rev. Ian Paisley in the chair, used their numbers to ensure that only a majority report should go to Westminster from the Convention. According to the SDLP, if the recommendations of the standing orders committee are carried by the 78-member Convention, it will mean that, in the final report conveyed to Parliament, there would be no recognition of the views of dissenting or minority groups.

## Guarantee

The Loyalists, however, are claiming that there is an absolute guarantee that the reports of those who do not agree with the formal, published report, will be included in the official proceedings.

The Convention meets on Thursday, to receive formally the report of the standing orders committee, but will not begin a debate on them until Tuesday.

The SDLP's Convention party will meet to-morrow and further discussion will take place among party members before there is any question of seeking a High Court ruling on the legality of standing orders.

The Convention chairman has agreed to have separate meetings with party leaders and representatives, and the Loyalist coalition is expected to have talks with him to-morrow to point out that the standing orders which have been drawn up have been decided on in strict adherence to the Act. They will also try to assure him that no attempt is being made to erode his power as chairman of the Convention.

# Labour withdraws complaint to Press Council over Benn

BY JOHN BOURNE, LOBBY EDITOR

MR. RON HAYWARD, Labour Party general secretary, announced yesterday that he was withdrawing a complaint from the Press Council because it would not get a politically impartial hearing under its chairman, Lord Shawcross.

He said in a letter to the Press Council secretary that he was withdrawing a complaint of sensational treatment by newspapers of news concerning Mr. Anthony Wedgwood Benn, Industry Secretary.

He said in his letter: "As a result of recent political speeches by the Press Council chairman, it strikes me that it would be quite impossible to obtain an impartial adjudication."

Lord Shawcross, formerly a Labour Attorney-General said in a recent speech that Mr. Benn was among those who wanted to divide and destroy Britain's "civilised and democratic way of life" and added that Britain fared economic, social and political disaster unless the people woke up and united behind a resolute government "which seeks to represent us all."

Mr. Hayward said in his letter that the party would now submit its evidence to the Royal Commission on the Press.

In February he had written to the Press Council on behalf of Labour's National Executive, saying he wanted to protest "about the highly selective manner in which national newspapers sensationalise news concerning Mr. Wedgwood Benn."

# Microbe research curbs urged

BY DAVID FISHLOCK, SCIENCE EDITOR

TIGHTER controls on scientists studying dangerous diseases and a reduction in the number of laboratories authorised to work with the more hazardous microbes are recommended in a report published by the Department of Health.

Two present uses of dangerous microbes — in testing disinfectants and in teaching — should be discontinued, says the report, from a working party under Sir George Godber, formerly the Government's chief medical adviser.

It also suggests that a Dangerous Pathogens Advisory Group of experts be set up to advise laboratories handling such microbes.

In some laboratories, it says, clear responsibility for safety precautions rests with a safety officer. But in others there is "no clear responsibility.

The working party identified over 70 pathogens — micro-organisms dangerous to man — that need to be handled with special precautions, and found that nearly 600 laboratories in the U.K. possess at least one.

Of the microbes it regarded as "most dangerous," it found four laboratories in possession of Herpes B virus, one with Lassa fever virus and Marburg virus, 13 with rabies virus, 19 with smallpox virus and 29 with one or more of the equine encephalomyelites group of viruses.

It admits surprise at the large number of laboratories in possession of pathogens, and recommends that the practice should cease in "any laboratory which cannot show good reason for continuing."

Where there is any element of special risk to the public, the admissibility of the proposed research should be subject to independent decision, taken outside the laboratory.

The working party recommends that eventually legislation should be introduced to make the voluntary system of controls compulsory.

*Report of the Working Party on the Laboratory use of Dangerous Pathogens, SO 55p.*

# Pan Am commission talks start

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TALKS BETWEEN the U.S. State Department and the Department of Trade start in Washington to-day on the dispute with Pan American over the levels of commission it pays its travel agents.

Mr. George Rogers, one of the senior officials responsible for civil aviation affairs in the U.K., will represent the DoT.

The aim of the talks, so far as the U.K. is concerned, is to convince the U.S. that, under the Anglo-U.S. Bermuda Air Services Agreement, the U.K. has the right to insist on the same levels of commission being paid to agents for tickets sold at each end of the route.

This means the U.S. accepting the U.K.'s claim that if Britain insists on Pan Am paying its agents only a ½ per cent. rise in commission in this country, it has the right also to insist on agents in New York, or anywhere else selling tickets to the U.K., being paid the same, instead of the 3 per cent. rise Pan Am wants to pay.

So far, the U.S. Government has refused to accept this argument and it is likely that it will tell Mr. Rogers to-day that it intends to uphold the right of Pan Am to pay what it likes in its own country.

The U.S. is also likely to point out that, under the same legal interpretation of the Bermuda Agreement as adopted by the U.K., the U.S. could insist upon British airlines paying a 3 per cent. rise in commission to their agents here, to match the 3 per cent. rise Pan Am is paying in New York.

Britain has told Pan Am that it has only until this Friday to fall into line with the U.K. demand. Failure to do so could result in the Secretary of State, Mr. Peter Shore, considering revocation of the airline's permit to fly to this country.

Equally, however, the U.S. could retaliate against British Airways, although it has not yet suggested that it intends to do so.

The U.K. is supported in its argument by several European countries, who have all told Pan American that they will not permit it to charge the 3 per cent. rise in commissions, preferring instead to see the ½ per cent. rise generally approved by the other airline members of the International Air Transport Association, although rejected by Pan Am.

If both the U.K. and the U.S. adhere to their respective viewpoints, it appears that a major clash is in prospect. The hope in the airline industry on both sides of the Atlantic is that some compromise formula will be reached that will enable air services to continue unmolested while further discussions are held.

The Pan-Am-U.K. dispute is taking place against a background of increasing European dissatisfaction with the way the U.S. is conducting its international aviation policy.

# New model of Boeing jumbo jet

By Michael Donne, Aerospace Correspondent

BOEING, the world's biggest builder of jet airliners, has completed at its Seattle factory the latest version of its 747 jumbo jet, the so-called Special Performance model.

This has a shorter body, but is designed to fly higher, faster and farther than any previous version.

It will be capable of carrying up to 288 passengers (against about 360 in existing versions of the jumbo) over distances of more than 6,000 miles.

The Special Performance model will make its first flight soon, and is due for delivery to Pan American (which has ordered five) this summer.

# Extra cash for aircraft noise insulation

By Michael Donne,

HIGHER CASH grants and improvements to the noise insulation schemes for people living near Heathrow and Gatwick Airports were announced yesterday by Mr. Stanley Clinton Davis, Parliamentary Under-Secretary of State for Aviation.

The maximum grant for insulating homes close to the airports goes up from £360 to £560, while the size of the "inner area" is extended at Heathrow, resulting in more homes being eligible for the higher grant.

The maximum grant available in the "outer areas" at both airports goes up from £206 to £357.

In the inner areas, householders can get up to 100 per cent. of the cost of work done on insulating against noise, up to the permissible maximum payable of £560. For the outer areas, householders can get up to 85 per cent. of the cost of the work, up to the maximum payable of £357.

# Complaints increase

By Michael Donne,

THE AIRLINE Users' Committee, set up to help the Civil Aviation Authority handle complaints about the quality of service offered by U.K. airlines, had 235 complaints in the six months to the end of March, compared with 181 complaints in the whole of the previous year.

While this volume of complaints is still small in relation to the overall volume of air travel, it indicates a growing awareness of the existence of the committee.

مكتبة الأصل

## LABOUR NEWS

# Broken contract will hit workers, says Murray

BY CHRISTIAN TYLER, LABOUR STAFF

MR. LEN MURRAY, TUC general secretary, warned trade unionists in unmistakable terms yesterday that they would be the sufferers if they broke the social contract.

"I know there is a growing view that 30 per cent. is the going rate and that there will be more on top of that. But in that direction there lies trouble and there lies danger for our society and for our class of people," he said.

Mr. Murray was addressing the annual conference of the National Union of Public Employees at Scarborough the day after delegates voted unanimously to press for 33 per cent. pay rises this autumn.

Yesterday, the delegates defeated a resolution urging rejection of the social contract after applauding Mr. Murray's speech defending it.

Mr. Murray emphasised that the TUC in framing the social contract and discussing policy with the Government was acting under commission from the unions. "It is yours. You will make or break it, and if you break it I ask you what is going to happen to you and the people you represent?"

It was wrong to talk as if beating inflation was doing the Labour Government a favour. "By beating inflation we do ourselves a favour.

"What sort of sense is there to go on escalating? What do you solve by doubling wages overnight? There will be no real increase there, and you know it."

Mr. Murray also promised that the TUC would attack the Government's "passive acceptance" of a rise to 1m. unemployed by the end of the year when the TUC's economic committee meets Mr. Denis Healey, Chancellor of the Exchequer, to-day.

He repeated his rejection of what he called "sloppy talk" about wages being the culprit in inflation and expressed concern to see the return of discussion of unemployment as a means of regulating the economy.

"I am not accusing the Government of the deliberate use of this technique. I recognise they are reluctant to do it."

Mr. Alan Fisher, NUPE general secretary, said that he would like to see the contract strengthened. On Monday, he said that the 33 per cent. pay claim — to bring the local authority and Health Service worker's minimum rate from £30 to £40 a week—was what would be needed by the autumn to keep pace with inflation. This was in accordance with the social contract.

Despite TUC warnings of possible inflationary consequences, NUPE is also hoping to get the TUC minimum wage target of £30 (which is written into the contract) raised to £40 a week at the annual Trades Union Congress in September.

# Buy U.K. missiles, unions say

TRADES UNIONS with several thousands of workers employed in the U.K. guided weapons industry are stepping up their pressure on the Government to ensure that the Army buys British missiles for future anti-tank requirements instead of the French and German weapons now favoured.

The unions say that the Army is planning to buy anti-tank weapons worth £100m., notably the *Franco-German Milan* in place of the British Beeswing for use on Land Rovers and other vehicles, and the Franco-German Hot instead of the Hakswing for use from helicopters.

They say that the weapons made by the British Aircraft Coropration are superior to the Franco-German weapons, but that the Ministry of Defence and the Army have continually changed their thinking on requirements and have made it virtually impossible for the BAC to meet their needs.

"The policy decision to buy the French Hot and Milan was made in spite of the fact that we could go into almost immediate production of Hawkswing and Beeswing, both of which have some considerable advantages over their French counterparts," says a statement by the Joint Trades Union Liaison Committee of the BAC's Guided Weapons Division.

"The range of Beeswing is double that of Milan with no reduction of accuracy."

The unions point out that the choice of French weapons would effectively prevent the future development in Britain of all anti-tank weapons, at least for the next 10 years and possibly for all time. This would result in the break-up of development teams and future recruitment would be drastically curtailed.

# Short price freeze is possible, Mr. Jones suggests

BY OUR LABOUR STAFF

IF THE SOCIAL contract were revised, with the Confederation of British Industry taking part this time, the TUC would be right to ask the Government for tighter price controls or even a short-term price freeze, Mr. Jack Jones, general secretary of the Transport and General Workers' Union, said yesterday.

Mr. Jones was underlining his plan for a common flat-rate wage increase linked to living costs and average earnings when he addressed delegates at the annual conference of the National Union of Hosiery and Knitwear workers at Southport.

He claimed that flat-rate wage increases on the lines he had suggested would ensure uniformity of application and would avoid the jealousies and leap-frogging which had caused so much tension in recent months.

"It would be socially just and morally right. The people at the top would still be at the top but the people at the bottom would get a little better and that is surely right.

"Because it would avoid abuse, it would make for greater unity in the trade union movement and surely we need that. There is too much bickering and carping and we should put it behind us."

Moreover, it would avoid the possibility of the Government imposing legal controls and would preserve collective bargaining, especially if the TUC was able to negotiate with the CBI.

Common agreement between the two great organisations of employers and labour would create the missing link in the social contract by putting a clear obligation on employers to help to keep the rules, and would avoid circumstances where employers were not responding to the social contract.

# £1.5m. plan for training

BY OUR LABOUR STAFF

THE MANPOWER Services Commission is planning to make available £1.5m. to private companies and colleges of further education to maintain training programmes that would otherwise have to be closed because of lack of funds, it was announced yesterday.

The Commission's plan still has to be cleared with the Government, but as the money would come from the £170m. already allocated for training no difficulties are foreseen.

Officials say that there have already been warnings that the road transport industry would have to cut training programmes because of the economic climate. The commission fears that more industries will follow suit as the recession continues.

Sir Denis Barnes, chairman, said that the "awful experience of past years whereby recession is followed by boom, with its attendant shortage of manpower skills, must be broken."

# Employers hit at docks plans

BY OUR LABOUR STAFF

The port employers have come out strongly against the Government's plans for extending the dock workers' employment scheme, designed to prevent industrial unrest such as the recent five-week strike by London dockers over container handling.

The proposals contained in the consultative document published by the Department of Employment in March could force very small ports to close and "lead to serious industrial strife," the employers said.

In their detailed comments on the consultative document sent to Employment Secretary Mr. Michael Foot yesterday, the employers ask the Government to consider doing away with statutory job protection for dockers and replacing it with a system of normal industrial relations. They also want the Government to re-examine its proposals in the light of the planned reorganisation of the ports.

They say that the dock labour scheme, which virtually gives the trade unions a veto over dismissals, is extremely expensive, rigid and has made dockers unco-operative in trying to solve the industry's problems.

As an alternative, they advocate a licensing system for employers, which would make sure that proper terms and conditions of employment were being observed.

The scheme protected *only* dockers and not the people engaged in maintenance, marine, technical, clerical and administrative work, who constituted more than half of the docks labour force.

"The demarcation resulting from statutory registration of the dock workers is a serious impediment to the creation of an integrated and flexible employment structure. . ."

The Association's comments were supported by the British Ports Association, which said in a separate communication to the Government that the proposals "would be harmful to efficiency and industrial relations in the ports and relatived industries" and were "inappropriate to present-day conditions."


# BANCO DI SICILIA

**Public credit institution with Head Office in Palermo, Italy**

**Capital Funds Lire 103,679,885,916**

**CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 1974.**
(in million Lire)

| ASSETS | | LIABILITIES | |
|---|---|---|---|
| Cash and due from Banks ............L. | 185,874 | Capital and reserves ............L. | 102,885 |
| Securities owned | 1,051,545 | Special reserves | 1,038 |
| Participations and investments | 37,398 | Special funds | 99,417 |
| Advances and loans in Lire | 2,851,090 | Accounts and deposits in lire and and foreign currencies | 3,149,037 |
| Advances and loans in foreign currencies | 213,488 | Bonds in circulation | 854,355 |
| Banking premises and real estate properties | 20,340 | Other liabilities | 184,359 |
| Engagements on account of customers for acceptances, confirmed credits and forward foreign exchange transactions | 272,712 | Acceptances, confirmed credits, forward foreign exchange transactions and other obligations on accounts of customers | 272,712 |
| Credits towards the tax collector's office | 130,150 | Engagements towards fiscal authorities for taxes collection | 138,187 |
| Miscellaneous accounts | 585,409 | Miscellaneous accounts | 544,684 |
| | | Profit of the year | 1,332 |
| TOTAL: | L. 5,348,006 | TOTAL: | L. 5,348,006 |
| Contra accounts | L. 2,366,197 | Contra accounts | L. 2,366,197 |
| | L. 7,714,203 | | L. 7,714,203 |

On the 29th April, 1975, the Annual General Meeting of the Board of Banco di Sicilia approved the accounts for the 1974 financial year, during which customers' funds managed by the bank increased to Lire 4,102 billion (+ 19%), ordinary and special lending reached Lire 3,065 billion, while operational and liquidity reserves and funds invested in securities exceeded Lire 1,200 billion.

Following the allocation of the net profit for 1974, determined with the traditional conservative criteria, in the amount of Lire 1,332 million, the Capital funds of the bank amount to Lire 103,680 million, of which Lire 60,552 million represent reserves.


# Supplement sought to nurses' pay deal

By Our Labour Staff

THE DEPARTMENT of Health is to be asked to add a cost-of-living supplement to the pay deal for Britain's 400,000 nurses concluded two months ago.

The demand comes from the white-collar National and Local Government Officers Association, which has relatively few nursing members but is campaigning on a broad front for future cost-of-living protection for its ½m. members in the public sector.

NALGO will raise its demand at the end-of-month meeting of the Nurses and Midwives Whitley Council, pointing out that the unions reserved the right in the last nurses' agreement to reopen talks within 12 months if inflation continued unexpectedly high.

## Voted out

The big nursing unions may support NALGO'S initiative, but the strength of that support remains to be seen.

The leadership of the Confederation of Health Service Employees, with about 90,000 nurse members, only recently voted out resolutions put to it which called for the nurses' deal to be scrapped and renegotiated.

From April 1, nurses' pay was raised by an average 11.2 per cent., but since April last year their rates have risen by more than 50 per cent. when threshold payments and the "special case" Halsbury award are included.

Although the last principal settlement was concluded at the end of March, NALGO yesterday pointed to a 12 per cent. increase in the Retail Prices Index since November in support of its case for reopening talks.

The move comes after the decision on Monday of the National Union of Public Employees—which has about 80,000 nurse members—to seek a 33 per cent. pay rise this autumn for all its 500,000 local authority and Health Service members.

# Town hall militancy reminder

By Our Labour Staff

A REMINDER of the militant mood of town hall staff pursuing a 35 per cent. pay claim came last night from a leader of the National and Local Government Officers Association.

Mr. Jack Bradburn, vice-chairman of the union's local government committee, said that plans for industrial action were being drawn up for submission to the union's conference on June 9 failing a "reasonable" offer at pay talks on May 30.

The union is not divulging its industrial action plans, but they are more likely to involve selective strikes by staff in key areas such as council computer centres than a national stoppage.

This strategy is in accordance with the direction of NALGO delegates, who last month instructed their negotiators to seek £10 a week more across the board plus 15 per cent.—a claim that if met would add an estimated 35 per cent. to the pay bill of £1bn. a year, covering 400,000 white-collar workers.

NALGO had already lodged a claim for future cost-of-living protection. This is being discussed separately and will probably take second place to the principal cash claim.

Mr. Bradburn, addressing a rally of members in the Metropolitan district, accused the employers of "hiding behind the Government's skirts" and of "unjustifiable delay in negotiations."

## IN BRIEF

### Dust strike ends

Dustmen in the London Borough of Southwark voted yesterday to end a six-week strike after an offer by an arbitration committee of a £200-a-man bonus.

The dispute started when they refused to cross picket lines in a strike involving a refuse contractor employed by the Greater London Council. The council dustmen and the borough could not agree on payment for clearing the backlog and the rubbish that has accumulated since.

### Equal pay move

The agricultural wages Board decided to raise female wages in the industry to 87.5 per cent. of male rates with effect from July 21, pending implementation of full equal pay by the end of the year.

### 300 laid off

Three hundred workers were laid off at Aluminium Bronze, Walsall, Staffordshire, because 14 women inspectors are on strike over a pay claim.

### Wage cut agreed

Bournemouth Council building maintenance workers have agreed to take a cut in their weekly wage of up to £4 to avoid redundancies by way of a 13 per cent. cut in their bonus earnings.

### TV peace bid

The Advisory, Conciliation and Arbitration Service has intervened in the pay dispute involving members of the Association of Cinematographic, Television and Allied Technicians which threatens to "black out" ITV programmes over the Bank Holiday week-end. ACAS is to bring the two sides together.


*This announcement appears as a matter of record only.*

NEW ISSUE May 15, 1975

$30,000,000

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# ENTERTAINMENT GUIDE

## OPERA & BALLET

COVENT GARDEN. 240 1911. THE ROYAL OPERA. Tonight and Sat. 8 Elektra: Lindholm, Mastilovic, Meyer Bailey, Uhlig. Cond: Davis. Tomor. and Tues. 7.30 King Priam. Fri. 7 Il trovatore. Mon. 7 La forza del destino. Seats available except Fri.

GLYNDEBOURNE FESTIVAL OPERA. Until August 6 with the London Philharmonic Orchestra. Tomorrow & Sat. at 5.30 The Cunning Little Vixen (Janacek). Sun. & Tues. at 5.15 Yevgeny Onyegin (Tchaikovsky). Tkts. at £9.70, £10.80 & £11.80. For all May perfs. any tickets at £10.80 or £11.80 left unsold at 10 a.m. on the day before performance will be offered at 2 for the price of 1. Box Office: Glyndebourne, Lewes (Ringmer 812411) & Ibbs & Tillett, 124, Wigmore Street. (01-935 1010.)

NEW LONDON. 405 0072. June 2-21. The Original TROCKADERO GLOXINIA BALLET COMPANY — The all-male ballerina company. Now booking.

SADLER'S WELLS THEATRE, Rosebery Ave. EC1. 837 1672. Evs. at 7.30. THE GOTHENBURG BALLET. Tonight, Sat. & Mon. Triple Bill. Tomor., Fri. & Tue.: Bournonville's Napoli (Full length version).

## THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs 7.30. Mat. Thurs. Sat. 3.00. "JEAN SIMMONS returns in triumph." E.N. HERMIONE GINGOLD "Fabulous woman" D. Mirror. JOSS ACKLAND "Beautiful performance." Observer. A LITTLE NIGHT MUSIC. "MUSIC THAT RAVISHES THE SENSES. A SHOW KISSED WITH GENIUS." Gdn.

ALBERY. 836 3878. Mon. to Fri. at 8.00. Sat. 5.15 and 8.30. Mats. Thurs. at 3.0. DOROTHY TUTIN PETER EGAN DOROTHY REYNOLDS. J. M. Barrie's Comedy WHAT EVERY WOMAN KNOWS. "Excellent. Outside subsidised theatres there is nothing to touch it in London." F.T. "Superb. A triumph." Daily Mail. Last weeks. Must end May 31.

ALDWYCH. 836 6404. Evgs. 7.30. Mat. today & Sat. 2.30. Last perfs. of RSC in Shakespeare's LOVE'S LABOUR'S LOST. "No happier entertainment could be imagined." D. Telegraph (ends Sat.). Tom Stoppard's award-winning TRAVESTIES (Opens May 29—red. price prevs. May 27 and 28). Theatre closed May 26. Recorded booking inf. 836 5332.

AMBASSADORS. 836 1171. Mon.-Thur. 8.15. Fri. and Sats. 6.30 and 8.45. £5 Theatre and Dinner £5. THERE GOES THE BRIDE. Top price ticket plus 3-course set dinner at a delightful nearby restaurant with wine, coffee, service and VAT ALL INCLUDED. £5 per head. Price without dinner £2.50, £2.00 and £1.00.

AMBASSADORS. Also Late-Night Revue at 11.15 p.m. to 12.15 (All seats £1). HINGE & BRACKET. SIXTY GLORIOUS MINUTES.

APOLLO. 437 2663. Evenings 8.0. Mats. Thurs. 3.00. Sats. 5.00 and 8.30. MARGARET LEIGHTON ALEC GUINNESS in A FAMILY AND A FORTUNE.

ARTS THEATRE CLUB. 836 3334. Great Newport St. (adj. Leic. Sq. Underground). Instant temp. membership available 10p. Evenings Tues. and Sun. at 8.0. King's Head Theatre Production KENNEDY'S CHILDREN. "THE PLAY IS FANTASTIC." Observer.

CAMBRIDGE. 836 6056. "MUSICAL HIT OF THE SEASON." E.N. Michael DENISON, Derek GRIFFITHS, Val PRINGLE, Norman BEATON in THE BLACK MIKADO. "TERRIFIC ENTERTAINMENT." S. Exp. Evgs. 8.00. Thurs., Sat. 5.30 and 8.30.

CHICHESTER. 0243 86333. Tonight and May 23 at 7.0. May 22, 24 at 2 & 7. CYRANO DE BERGERAC.

COLISEUM. (01-836 3161.) WUSHU OF CHINA. Martial Arts from Peking. Until May 31. Evenings 8. Mat. Sat. 2.

COMEDY. 930 2578. Evs. 8. Sats. at 5.30 and 8.30. Matinees Thurs. 3. "The delectable HAYLEY MILLS." D.T. PETER DONAT, LEIGH LAWSON. "Samuel Taylor's Joyous Comedy." E.N. A TOUCH OF SPRING. "Effervescent direction by Allan Davis." F.T. "The AUDIENCE were WEAK with LAUGHTER." F.T. "THIS FROLIC IS SUCH FUN." E.N.

CRITERION. 930 3216. Tonight at 8.00. Tomor. and Sat. 5.45 and 8.45. MARTY BRILL AS LENNY (Based on the life and words of Lenny Bruce). Limited season. Last week. Ends Saturday.

CRITERION. 930 3216. Red. pr. Prevs. May 28—June 4. Opens June 5 at 7. Subs Evgs. 8, Sats. 5.30 and 8.15. GERALDINE McEWAN RODERICK COOK JAMIE ROSS "OH COWARD". A musical comedy revue with words and music by Noel Coward.

DRURY LANE. 836 8108. Evenings 7.30. Matinees Wed. and Sat. 2.30. MICHAEL CRAWFORD in BILLY. A New Musical. "MICHAEL CRAWFORD, A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS THEATRE. 836 8243. Evenings 8.00. Fri., Sat. 6.15, 9.00. ALIVE ON STAGE OH! CALCUTTA! OVER 1,500 PERFORMANCES. "BREATHTAKINGLY BEAUTIFUL." S.Tel. "THE NUDITY IS STUNNING." D. Tel.

DUKE OF YORK'S. 836 5122. Mon.-Fri. 8. Sats. 5 and 8. Weds. 2.30. Anna NEAGLE Tony BRITTON Alan GIFFORD in William Douglas Home's THE DAME OF SARK. "SUPERB." Harold Hobson. Season must end May 31.

FORTUNE. 836 2238. Evenings at 8.00. Sats. 5.30 and 8.30. Th. 2.45 red. prices. SLEUTH. "THE BEST THRILLER EVER." N.Y. Times. 6th GREAT YEAR.

GARRICK. 836 4601. Evgs. 8.0 SHARP. Sat. 5.00 & 8.30. Red. price Wed. 3.00. MURDERER by ANTHONY SHAFFER. "VASTLY ENTERTAINING BLEND OF COMEDY AND SUSPENSE. THIS ONE WOULD BE A CRIME TO MISS." Mirror.

GLOBE THEATRE. 437 1592. BEST PLAY OF THE YEAR. Evening Standard Drama Award. TOM COURTENAY in THE NORMAN CONQUESTS by ALAN AYCKBOURN. R'ND & R'ND THE GARDEN Today 3.0. Fri. Mon. 8.15: TABLE MANNERS Tmr. & Tu. 8.15. Sat. 5.30: LIVING TOGETHER Tomor. 8.15. Sat. 8.30.

GREENWICH. 858 7755. CHARADES. Tonight 8.0. A JOURNEY TO LONDON. Tomor., Fri. 8.0. Sat. 2.30 & 8.0. THE BORAGE PIGEON AFFAIR.

HAYMARKET. 930 9832. Evgs. 7.45. Mat. Wed. 2.30. Sat. 4.30 and 8.00. JOHN CLEMENTS in Ronald Millar/C. P. Snow's THE CASE IN QUESTION. "An excellent evening's entertainment. . . . An enthralling story." —Harold Hobson, Sunday Times.

HER MAJESTY'S. 930 6606. Last 4 days. Evgs. 7.30. Mat. Wed., Sat. 2.30. DAVID HEMMINGS IN JEEVES. With MICHAEL ALDRIDGE. Book and Lyrics ALAN AYCKBOURN. Music ANDREW LLOYD WEBBER. "Full of gaiety, intelligent wit and joyous self-mockery." —Sunday Times. HAIR Opens June 7. Now booking.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri. Sat. 7.30. 9.30. The ROCKY HORROR SHOW. "BEST MUSICAL OF THE YEAR." Evening Standard Drama Award '73.

LYRIC. 437 3686. Evenings 8.0. Fri. 8.30. Thurs., Sat. 5.00 and 8.30. JOHN, PAUL, GEORGE, RINGO . . . AND BERT. Evening Standard Award—BEST MUSICAL OF THE YEAR. Plays and Players Award—BEST MUSICAL OF THE YEAR.

MAY FAIR. 629 3036 and 493 2031. Evening 8.15. Sat. 5.00 and 8.40. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER. "Michael Frayn's comedy is a delightful experience." Evening Standard.

MERMAID. 248 7656. Food 248 2835. Evgs. 8.00. Mat. Thur., Sat. 3.00. Bernard Shaw's THE DOCTOR'S DILEMMA. "Georgeous and Funny." Gdn. FULL DINNER MENU, WINE & BEST THEATRE SEAT FOR £4.95.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Ton't 7.30. Tomor. 2.15: Bernard Shaw's HEARTBREAK HOUSE. Tomorrow 8.00 and Tuesday 7.30: HAPPY DAYS. Friday and Monday at 7.30. Saturday 2.15 and 7.30: NO MAN'S LAND. Some seats held for sale day of performance from 10 a.m. Now booking to 31 July.

OPEN AIR, Regents Park. 01-486 2431. THE TAMING OF THE SHREW plays The Round House June 3-21. Transfers here week of June 23.

OPEN SPACE. 580 4970. (Temp. m'ship) MEASURE FOR MEASURE Adapted and directed by Charles Marowitz. World Premiere Wed. May 28 at 7.0. Subs. Tues. to Sun. 8.0.

PALACE. 437 6834. Mon.-Thur. 8.00. Fri. and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR.

PALLADIUM. 437 7373. Evenings 7.30. Mats Wed., Sat. 2.45. TOMMY STEELE IN LONDON'S MOST BEAUTIFUL MUSICAL HANS ANDERSEN. "SUMPTUOUS SPECTACLE, SPLENDID SONGS. IT'S WONDERFUL." Dly. Exp. SEATS AT MAT. TO-DAY 2.45.

PHOENIX. 836 8611. Last week. Evgs. 8.00. Sat. 5.30 and 8.30. HARRY WORTH. "A comedian of boundless charm."—D. Telegraph. AVRIL ANGERS in "NORMAN, IS THAT YOU?" "A steady line of laughs." F. Times.

PHOENIX THEATRE. 01-836 8611. From Tuesday 7.0. Subs. 8.0. Sat. 5.30 & 8.30. Until June 7. MIRIAM KARLIN in DIARY OF A MADAME. Comm. June 10 GODSPELL.

PICCADILLY. 437 4506. Evgs. 8. Sats. 5.30 and 8.30. Mat. Wed. at 3. JIMMY JEWEL ALFRED MARKS in NEIL SIMON'S THE SUNSHINE BOYS. "Audience rocking in their chairs."—D. Express. "A laugh a minute." D. Tel. "Continuous laughter." E. Std.

PRINCE OF WALES. 930 8681. Evenings 8.00. Mats. Wed., Sat. 3.00. JAMES STEWART in HARVEY. "Heartwarming triumph." E. News. LIMITED SEASON ONLY.

QUEEN'S. 734 1166. Evgs. 7.30 sharp. Mat. Thurs. 2.30. Sats. 4.45 and 8.15. JOAN PLOWRIGHT FRANK FINLAY. SATURDAY SUNDAY MONDAY. Directed by FRANCO ZEFFIRELLI. Last two weeks—Must end May 31.

RAYMOND REVUEBAR THEATRE. 734 1593. At 7 p.m., 9 p.m., 11 p.m. PAUL RAYMOND presents THE FESTIVAL OF EROTICA '75.

REGENT. 323 2707. Evenings 8.30. Fri., Sat. 7.00 and 9.15. 10th MONTH OF SENSATIONAL STAGE SHOW OF THE '70s. LET MY PEOPLE COME — AN ADULT MUSICAL. "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUND HOUSE. 267 2564. June 3-21. Jeremy Irons, Zoe Wanamaker. THE TAMING OF THE SHREW.

ROYAL COURT. 730 1745. JOE ORTON FESTIVAL. Evs. 8. Sats. 5 and 8.30. Last week. BERYL REID MALCOLM McDOWELL RONALD FRASER. ENTERTAINING MR. SLOANE. "Measureless joy." Daily Mail. "Hilarious." Evening Standard. Trans. to Duke of York's June 2. LOOT! Opens May 28.

SAVOY. 01-836 8888. Evenings 8.00. Sat. 5.00 and 8.15. "ALASTAIR SIM at his best." D. Tel. RON MOODY DANDY NICHOLS. THE CLANDESTINE MARRIAGE. Directed by IAN McKELLEN.

SHAFTESBURY. 836 6596. Mon.-Fri. 8.0. Mat. Friday 5.00. Reduced 75p-£1.50! Sat. 5.30 and 8.30. WEST SIDE STORY. "Bursting to life with undiminished theatrical excitement." S. Tel. "A definite winner. I strongly recommend it." F.T. "Miracle." Guardian. "Brilliant." S. Tel.

SHAW THEATRE. 01-388 1394. Last 4 days—Evenings 7.30. JULES CROISET in A CERTAIN VINCENT. A portrait of Van Gogh. "TRIUMPHANT." The Times.

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. 2.45. Sats. 5.00 and 8.00. Agatha Christie's THE MOUSETRAP. World's longest-ever run. 23rd YEAR.

STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. DORIS HARE, LEO FRANKLYN, RICHARD CALDICOT, ANDREW SACHS. NO SEX PLEASE, WE'RE BRITISH. LONDON'S LONGEST LAUGHTER HIT.

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining and Dancing. At 9.30 Revue A TOUCH OF VENUS and at 11 p.m. DICKIE HENDERSON.

VAUDEVILLE. 836 9988. Evenings 8.0. Mat. Tues. 3.00. Sats. 5.30 and 8.40. MILLICENT MARTIN AMANDA BARRIE in ALAN AYCKBOURN'S ABSURD PERSON SINGULAR. Best Comedy of Year. E. Std. Award '73.

VICTORIA PALACE. 834 1317. Evgs. 8.00. Wed., Sat. 6.00 and 8.45. MAX BYGRAVES in "SWINGALONGAMAX". New Song and Laughter Spectacular with Rogers and Starr, Bobby Crush, Denise Keene and Happy and Full Co.

WESTMINSTER. 834 0283. Ends May 31. Evgs. 8.0. Fri. and Sat. 5.30 and 8.30. NIGEL PATRICK DULCIE GRAY PETER SALLIS PETER VAUGHAN BRIAN WILDE in Hit Thriller THE PAY OFF. "Immensely enjoyable. Undiluted pleasure. Witty. Exciting." Sunday Times.

WHITEHALL. 930 6692-7765. Evgs. 8.30. Wed. and Sat 6.15 and 8.45. PAUL RAYMOND presents THE CONFESSIONS OF A SEX STAR. SNATCH 69. FANTASTIC, HILARIOUS EROTIC ENTERTAINMENT.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents FIONA RICHMOND in LET'S GET LAID. Twice Nightly at 7.00 and 9.00.

WYNDHAM'S. 836 3028. Evenings at 8. Sat. 5 and 8.30. Mats. Wed. 3.00. "PAUL SCOFIELD as Prospero SHOULD NOT BE MISSED ON ANY ACCOUNT." B. A. Young, Financial Times. (Limited Season) THE TEMPEST.

YOUNG VIC (by Old Vic). 928 6363. MUMMENSCHANZ. "Absurd, satirical, polished, hilariously funny." Daily Tel.

## CINEMAS

ABC 1 and 2 Shaftesbury Ave. 836 8861. Sep. Perfs. All seats bkble. 1. THE GODFATHER PART II (X). Wk. and Sun. 2.45, 8.00. 2: MURDER ON THE ORIENT EXPRESS (A). Wk. and Sun. 2.30, 5.30, 8.30.

CASINO. 437 6877. MONTY PYTHON AND THE HOLY GRAIL (A). Progs. at 1.45, 3.20, 5.40, 8.05. Late Sat 11.30.

CURZON, W.1. 499 3737. Bunuel's PHANTOM OF LIBERTE (X). Progs. 2.25, 4.25, 6.30, 8.40. Last day.

LEICESTER SQUARE THEATRE. 930 5252. See! Hear! Feel! TOMMY (AA). The film event of the year. Sep. perfs. 1.20, 4.30, 8.00. Sun. 4.30, 8.00. Late show Fri. and Sat. 11.15. All seats bkble on 930 0416.

ODEON HAYMARKET. (930 2738-2771.) Warren Beatty, Julie Christie, Goldie Hawn in SHAMPOO (X). Sep. perfs. wk. 1.15, 4.45, 8.15. Shampoo at 1.55, 5.30, 8.55. All seats bkble.

ODEON MARBLE ARCH. (723 2011-2.) Streisand & Caan FUNNY LADY (A). Sep. perfs. wk. 2.45, 8.00. All seats bkble.

ODEON LEICESTER SQUARE. (930 6111.) PAPER TIGER (A). Cont. progs. Wk. 2.00, 3.45, 6.00, 8.15.

ODEON ST. MARTIN'S LANE. (836 0691-1811.) DAUGHTERS DAUGHTERS (A). (Subtitled). Sep. perfs. wk. 2.30, 5.30, 8.30.

PARIS PULLMAN CINEMA, South Ken. 373 5898. A BIGGER SPLASH (X). Daily 2.15, 4.30, 9.00. Progs. 2.15, 4.15, 5.30, 8.45.

PLAZA 1 and 2 Lower Regent St. (formally Paramount and Universal). All seats bookable. THE GODFATHER PART II (X). Daily including Sundays. PLAZA 1 Progs. 2.45 (7.30 Tonight all seats sold). PLAZA 2 Progs. 2.15, 7.15.

PRINCE CHARLES. Leic. Sq. 437 8181. The Sensation of London . . . EMMANUELLE (X). Sep. perfs. dly. (inc. Sun.) 2.45, 6.15, 9.00. Late show 11.45 Fri. and Sat. Seats bkble. Lic'd bar.

SCENE 2. Leic. Sq. (Wardour St.). 439 4470. Cont. perfs. dly. from 12.30. Late show 12.05 (inc. Sun.). YOUNG FRANKENSTEIN (AA). Progs. 12.30, 2.45, 5.05, 7.25, 9.45, 12.05.

SCENE 3. Leic. Sq. (Wardour St.). 439 4470. THE TOWERING INFERNO (A). Sep. perfs. dly. (inc. Sun.) 2.00, 5.20, 8.40, 11.45. Seats bkble—all perfs.

SCENE 4. Leic. Sq. (Wardour St.). 439 4470. 2nd YEAR. The Film Everybody's Talking About THE EXORCIST (X). Directed by William Friedkin. Sep. perfs. daily 12.30, 3.00, 6.15, 9.00, 11.30. Box office open daily 10-8. Sun. 12-8. Seats bookable—all perfs.

TIME CENTA (1). 935 9772. A BIGGER SPLASH (X). Dly. 1.00, 3.00, 5.00, 7.00 and 9.00. Late show every night 11 p.m.

WARNER WEST END Leicester Square. Tel. 439 0791.
1. IT'S ALIVE (X). Cont. Progs. 2.40, 4.35, 6.35, 8.35.
2. Steve McQueen, Paul Newman THE TOWERING INFERNO (A). Sep. Perfs. 1.15, 4.35, 8.05. £1.60 seats bkble.
3. Jack Lemmon, Anne Bancroft THE PRISONER OF 2ND AVENUE (A). Sep. Perfs. 2.30, 5.30, 8.30. All seats bkble.

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PARLIAMENT

# Full-time work on jobless

BY PHILIP RAWSTORNE

MR. HAROLD WILSON was again fully employed in the Commons yesterday denying Mr. Anthony Wedgwood Benn's charges against the Common Market.

"I do not accept those figures," he said, dismissing the Secretary for Industry's claim that EEC membership had cost the country half a million jobs.

"Sack him, sack him," the Tories roared in happy pursuit of Mr. Benn's unemployment.

Whatever plans he may have in that direction, the Prime Minister was more than content yesterday to welcome Mrs. Margaret Thatcher's question about Mr. Benn as a sign that she intended to become a full-time Leader of the Opposition.

Mrs. Thatcher's political profile has been so low of late that it has been virtually unrecognisable.

"The reluctant debutante," Mr. Wilson dubbed her, taunting her with her hesitancy in leading the Opposition's attack on the Government in to-morrow's economic debate.

Mrs. Thatcher winced prettily and retired behind Mr. James Prior as the Prime Minister advised her that he would be watching her presentation carefully.

If the Conservative Party's case was to be acceptable, it would need dressing in rather more substantial policies than it had been displaying lately, he warned.

And so would the Prime Minister, retorted Mr. Kenneth Baker (C., St. Marylebone). To what particular aspect of his stewardship of the nation's affairs did Mr. Wilson attribute the "startling recovery" of industrial production to the level of the three-day week? he asked.

The fall in production had been lower in Britain than any other OECD country, Mr. Wilson replied. And under his chairmanship next month the National Economic Development Council—"which does not approach these problems with your political attitude"—would be considering a wide range of economic issues.

It might even consider whether the Tories or the Liberals had anything to contribute when they revealed the "faintest glimmering" of their policies, he added. Until then, he suggested to Mr. John Pardoe, send a postcard.

Having been urged to more dynamism and decision, Mr. Wilson delighted pro-Marketeers on both sides by apparently discovering both qualities in the Common Market.

There would be serious economic problems for us if we withdrew, and for the Commonwealth as well.

With some encouragement, the Prime Minister warmly reiterated the support he had found in the Commonwealth Conference for Britain's membership. They would feel "let down" if Britain left the Common Market—and he made it absolutely clear that that was no part of his job.

# Runaway MP: I'm coming back

By Richard Evans, Lobby Correspondent

MR JOHN STONEHOUSE, the runaway Labour MP, surprised MPs and his local party officials yesterday by announcing that he plans to return to Britain to attend constituency meetings next month.

In a letter from Australia where he is facing extradition proceedings, Mr. Stonehouse has told Mr. Harry Richards, chairman of the Walsall North Labour Party that he intends to be present at meetings to discuss his future on June 11 and 13.

In addition, he has sent by letter a question which appeared on yesterday's Commons Order Paper asking the Chancellor of Exchequer, Mr. Denis Healey, how much money could be saved by cutting the number of civil servants by 20 per cent.

The initial reaction of many MPs was that Mr. Stonehouse was adopting delaying tactics to prevent the Commons from expelling him for neglecting his Parliamentary duties.

Earlier this month, a Commons select committee recommended that moves to expel the MP for Walsall North should be launched unless he returned to Westminster within a month to explain his conduct. Mr. Stonehouse later sent a letter to the committee chairman Mr. George Strauss saying he was anxious to return "as soon as physically possible." The deadline set by the committee is June 6.

Since the expulsion recommendation was based largely on the ground that Mr. Stonehouse had "abandoned his Parliamentary duties" the tabling of the question and the offer to return are both seen as an attempt by Mr. Stonehouse to show that he is still attending to the interests of his constituents.

Most MPs believed yesterday that Mr. Edward Short, Leader of the Commons, would still introduce a motion—proposing Mr. Stonehouse's expulsion shortly after the one month's grace has expired. He would be opposed by a small number of MPs who believe that no move should be made against Mr. Stonehouse until all legal proceedings have been completed. They point out that at present he has been found guilty of no crime.

Mr Stonehouse, 49, is at present facing extradition proceedings in Melbourne. Six new fraud, forgery and theft charges have been added to the 15 he already faced when he appeared in court on May 2. The proceedings are due to be resumed on May 26.

In his letter to Mr. Richards, the runaway MP said he was confident that when local officials had heard his side of the story they would decide that the procedure to find a new candidate at Walsall North would be unnecessary.

# Ministers shrug off defeat on women's work hours

BY JOHN BOURNE, LOBBY EDITOR

AFTER ITS defeat yesterday on the subject of restrictions on women's working hours in the committee stage of the Sex Discrimination Bill, the Government does not intend at the moment to alter its view that such restrictions would be best studied by the proposed Equal Opportunities Commission.

Ministers admit there are a number of anomalies created by the 1961 Factories Act and by the Hours of Employment Convention Act which prohibits women from doing night work.

But they maintain that yesterday the Conservatives on the committee, plus two "rebel" Labour MPs — Mr. Roderick MacFarquhar and Miss Jo Richardson—took too simplistic a view by passing an amendment changing these two Acts to remove the restrictions.

The Department of Employment argues that the restrictions on women's hours have existed for so long that any change in them should be reviewed in some detail on their merits.

This would be the role of the Equal Opportunities Commission in consultation with the Health and Safety Commission. The Department would then have power to alter the legislation by regulation.

The Factories Act says, among other things, that no women in a five-day factory should work more than 10 hours a day, excluding intervals, subject to a maximum of 48 hours a week. Sunday employment is prohibited.

The Government is therefore expected to try to delete yesterday's amendment when the Bill goes back to the Commons for its report stage.

In yesterday's standing committee, Mr. Ian Gilmour, the Conservative "shadow" Home Secretary, moved the successful amendment repealing parts of the Factories Act, including one preventing women working with moving machinery.

He said it was time these "outdated restrictions" were swept away: it was ludicrous that they should be perpetuated in a Bill designed to promote equality of opportunity.

Mr. Michael Alison (Con., Barkston Ash) said the greatest weakness of the restrictions was the number of exemptions to them. For some reason laundries, baking, sausage-making, fish-preserving and the dairy produce industry were all exempt.

"By refusing to remove these restrictions, the Government is deliberately closing the door to women which the rest of this Bill has opened," he said.

Mr. John Fraser, Employment Under-Secretary, urged the committee to reject the amendment, although he admitted there did not seem much logic in the restrictions when women in professions could work long hours and do all-night shifts and week-end work.

"If we remove these parts of the Factories Act we could be exposing to exploitation women who may be in a vulnerable position because of their family responsibility and the weaknesses of their trade union's organisation.

"In an area which is weakly unionised, we could be inflicting considerable hardship as a result of repealing protective legislation."

Mr. Fraser admitted there was no justification for the part of the Act which prevented women working with moving machinery. This, he said, dated back to days when women had long hair and men had short hair.

# Tax jobs for regions

FINANCIAL TIMES REPORTER

PLANS FOR administering the proposed development land tax and wealth tax were outlined in the Commons yesterday by Mr. Joel Barnett, Chief Secretary to the Treasury.

He announced that the Development Land Tax Office, which is expected to employ up to 350 staff, will be established at Middlesbrough.

Mr. Barnett said wealth tax would be administered, with capital transfer tax and estate duty, in a network of capital tax offices, which would involve the creation of new posts outside London and the re-location of a substantial number of existing posts now in hte Tax Estate Duty Office in London.

Apart from staff who would occupy existing offices in the London area, offices would be opened in eight centres—Stockton-on-Tees (200 staff); Stockport (400); Sheffield (300); Derby (200); Solihull (200); Wrexham (350); Plymouth (400); and Worthing (150).

Mr. Barnett said there would also be some 125 new posts in a Capital Tax Office in Edinburgh which would incorporate the existing Scottish Estate Duty Office.

# Opposition MPs want advance to indexation in tax system

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

TORY AND Liberal MPs last night urged a radical change in taxation policy when they called in the Commons for an advance towards an indexation system linking income-tax levels to the cost of living.

Government contentions that this would create rigidity and tie the hands of the Chancellor when he framed his Budget were dismissed during committee stage debate on the Finance Bill from the Tory backbenches as "absolute nonsense."

Mr. Enoch Powell (UUU, Down S.) turned the attack against the Government to an accusation that Mr. Denis Healey was abdicating responsibility for the monetary inflation when, in fact, successive Governments were to blame for it.

At one point in the clash which developed, it was contended by Tory backbencher Mr. Nigel Lawson that Mr. Healey had made a deceitful claim when he suggested on TV that more than 9m. people would be paying less income tax this year. The truth was that with higher wages more people would be paying more in taxation, Mr. Lawson pointed out.

Mr. Lawson was moving an amendment, which taken together with other amendments, would introduce the element of indexation in personal allowances.

The main amendment would raise the level at which rates higher than the basic rate would be charged from £4,500 to £5,400. The amendment represented a 20 per cent. increase in line with the rise in the cost of living this year.

Minister of State, Treasury, Mr. Robert Sheldon, recalled that in his Budget speech, the Chancellor had said that people generally would have to shoulder a larger burden of taxation, because of the paramount need for more revenue.

In the past, sums obtainable from average earnings had been very small, but they were now very considerable and formed a very important part of the Revenue.

The total cost of schemes put forward by Mr. Lawson would be about £850m. The proposal of a higher rate of threshold would cost £194m.

Mr. Powell, protesting at the Chancellor's warnings about excessive wage claims, said that the choice was not for the Chancellor but for the British people.

He claimed that this was typical of the whole operation of shifting the blame for inflation from the Government, where it belonged, to the public, where it did not belong. This was a "profoundly dangerous" operation for the whole politics and system of this country.

Mr. John Nott, Opposition front-bench spokesman on Treasury affairs, said that if indexation was to be completely fair, it would have to be "right across the Board." But indexation of wages only probably meant that trade unions would start bargaining in real terms instead of money terms.

Mr. Lawson withdrew his amendment.

# SE inquiry rejected

A SUGGESTION by Mr. Neil Kinnock (Lab., Bedwellty) that a Royal Commission should be appointed to consider the operation of the Stock Exchange was rejected by the Prime Minister in the Commons yesterday.

Mr Wilson stated: Mr. Peter Shore, the Secretary of State for Trade, has already instituted a study of the arrangements for the supervision of the securities market and I do not think that any further inquiry into the operation of the Stock Exchange is necessary."

# Lloyd's members freed of levies

THE GOVERNMENT agreed in the Lords yesterday to drop a proposal that members of Lloyd's could be included in the insurance companies' levy scheme to protect policyholders.

Lord Beswick, for the Government, accepted, during the committee stage of the Policyholders Protection Bill, an amendment striking out the section under which the Trade Secretary could, by order, treat a Lloyd's member as "an authorised insurance company."

The Bill provides for levies on the insurance industry to finance protection of policyholders whose insurance companies collapse.

The amendment had been moved by Lord Reigate, an underwriter member of Lloyd's. He said that the proposal in the Bill was totally unnecessary because there were already so many in-built protections at Lloyd's. In any case, if such a measure were required, it should be done by legislation and not by an order.

Lord Beswick said that it had been thought useful to have this power in the Bill. He said that Lloyd's themselves had raised no objection to it, but in view of the many objections raised in the House, he was prepared to accept the amendment.

Lord Reigate said that the Government's gesture would be appreciated by a wide section of the insurance industry.

# Tory proposals on economy not specific

By John Bourne

THE CONSERVATIVES' onslaught on the Government's economic policies in to-morrow's Commons debate was framed yesterday in the most general terms.

The motion on which the Oppositeion will divide the House simply calls for the abandonment of "damaging plans" for further nationalisation, and immediate action to cut public spending and to secure a reduction in the level of pay settlements.

The Prime Minister and Mr. Denis Healey, Chancellor of the Exchequer, will press for specific proposals from the Conservatives on the last two points if Mrs. Thatcher, the Conservative leader, fails to mention any during her opening speech. Sir Geoffrey Howe, QC, the "shadow" Chancellor, will wind up for the Opposition.

The motion, which says the House is "gravely disturbed" by the failure to curb inflation, says nothing to tempt Labour's rebellious Left-wingers into the Conservative lobby.

But the Liberals will listen carefully to Mrs. Thatcher. On June 24, Mr. David Steel, the Liberal Chief Whip, is to move a 10-minute Rule Bill seeking to re-establish the Prices and Incomes Board with statutory backing.

# Jack Jones wages formula for 'urgent' study

FINANCIAL TIMES REPORTER

MPs WERE given repeated assurances by Mr. Michael Foot, Secretary for Employment, in the Commons yesterday that the revised form of voluntary wage restraint outlined by Mr. Jack Jones, general secretary of the Transport and General Workers' Union, at the week-end, will receive "careful and urgent" consideration.

He also said that the Jones proposals—based on common flat rate wage increases geared to the cost of living and national average earnings—were "serious ideas" which would be seriously considered.

But Mr. Foot again insisted that he was not advocating a tightening up of the existing wage guidelines in the social contract.

"What I am suggesting," he stressed, "and what I am sure the trade unions are seeking to help us in doing is to ensure that we can get more faithful observance of the guidelines.

"That is not the same thing as tightening. It is on this basis that we can proceed and it is on this basis that we are continuing discussions with the TUC and taking into account the further proposals made by Mr. Jones and others."

From the Opposition front bench Mr. Barney Hayhoe, a "shadow" employment spokesman, caustically inquired: "At a time when unemployment is rising, would there not be more employment opportunities available now if the Secretary of State had done more to reduce the number of inflationary wage demands and make his side of the social contract work?"

Mr. Foot answered that the present system was not one under which the Government was able to lay down the law on what was a proper wage settlement and what was not.

"One of the difficulties which we have had to deal with through all these months is trying to clear up the mess left by a Government which itself tried to lay down such rules."

Ignoring derisive shouts from the Opposition benches, Mr. Foot maintained that many of the settlements that had gone outside the guidelines in recent months had been due to the fact that those involved were tracing their claims back over two or three years and the period of statutory control over wages.

Mr. Kenneth Baker (Con., St. Marylebone) called on the Minister to deny a rumour, which he said had been circulating on Monday, that Mr. Jones had been persuaded by the Government to float his ideas on a revised form of voluntary wage restraint to ensure that there would be a "warm and positive response from Ministers."

Amid laughter from his Conservative colleagues, Mr. Baker added: "I am sure this is a travesty of what has taken place. Can you assure us that Mr. Jones is not naive enough to succumb to this stratagem or the Government clever enough to suggest it?"

Mr. Foot retorted: "I don't know where you get your rumours from but it was such an absurd one that I think you must have manufactured it yourself."

There was more laughter when Mr. John Pardoe (Lib., North Cornwall) suggested that Mr. Jones had derived his ideas from Liberal policy and Mr. Foot observed, "If you believe that, as the Duke of Wellington said on a more famous occasion, 'You will believe anything'."

# Foot refuses to delay Press freedom proposals

WHILE WELCOMING the NUJ's decision to reconsider its annual conference decision on the closed shop and Press freedom, Mr. Michael Foot, Employment Secretary, warned yesterday that Commons legislation on this matter could not be dependent on the outcome of that reconsideration.

He was replying in the Commons to Mr. William Hamilton (Lab. Fife C) who urged delay on legislative action until the NUJ conference had been recalled and had reconsidered its decision.

Mr. Foot replied: "I do not think we should make any decision of the House of Commons dependent on the outcome of one particular conference or another. Therefore, I cannot give such an undertaking."

Mr. Foot said that when the matter was debated in the House, MPs would see that what the Government proposed was "a reasonable and sensible way of settling the question."

He added that he had received 20 letters on Press freedom and the closed shop since the NUJ annual conference in Cardiff. Four of these related to decisions reached at that conference.

Mr. Jonathan Aitken (C Thanet E.) claimed that the NUJ vote at Cardiff had made "a complete shambles" of the Government's closed shop proposals for journalism.

He urged Mr. Foot to introduce an amendment to the Trade Union and Labour Relations (Amendment) Bill to preserve and safeguard free access to the Press for everyone, whether in a union or not. He also called for an amendment to ensure that editorial independence was preserved.

Mr. Foot said he regretted the fact that the NUJ at its Cardiff conference should have turned down the idea of discussing a Press charter, just as he regretted that the editors had turned down the same proposition a week or two before.

"We have to deal with a situation in which editors, proprietors, and the NUJ have so far shown they are not moving towards what we think is the best solution on this matter. But I am glad the NUJ are reconsidering it."

# Disclosure powers 'unfair to non-union workers'

BY JOHN HUNT

THE INDUSTRY BILL requirement that company information should be passed on to trade union representatives was strongly attacked by the Opposition yesterday on the grounds that it discriminated against non-union employees.

Speaking from the Conservative front bench during the committee stage of the Bill, Mr. John Stanley described this as an "odious" principle and pledged his party to fight it to the bitter end.

But for the Government, Mr. Anthony Wedgwood Benn, the Industry Secretary, claimed that the Conservative line of attack merely demonstrated that they were "utterly hostile to organised workpeople."

The committee was discussing a Conservative amendment which stipulated that the information should be passed on to all employees and not just to trade union members. Another Opposition amendment laid down that the information should be given only to a person employed by the company concerned.

Mr. Stanley warned that company directors might be in breach of their listing agreements if price-sensitive information was passed on to the unions but not passed on to shareholders at the same time. There was also the danger that the information would place the union representative who had received it in a potential insider trading position.

Mr. Stanley maintained that the Bill would create an exclusive block of information going to an exclusive group of people—to unions. In differentiating between the unions and other employees it was creating a 1984 type of situation. There would be Alpha workers (union representatives who had a right to information), Beta workers (trade unionists to whom the information was passed on) and Gamma workers (those who had no legal right whatsoever to the information).

At this Mr. Eric Heffer, former Minister of State for Industry, intervened from the Labour back benches to protest: "If all these people want the same rights then they ought to join the trade union movement."

But Mr. Stanley replied that this would obliterate the fundamental right of whether or not to join a union. He prophesied that if the Conservative amendments were rejected, the reverberations would go well beyond Westminster and Government policy would be shown to be "a pretence and a sham."

The Conservatives were not prepared to countenance differential rights under the law for different categories of employees.

## Control

Mr. Benn told him that what the Conservatives were really trying to do was to prevent information reaching those who worked in industry. They were trying to preserve the control of private firms in the hands of those who owned them.

According to Mr. Benn, the Tories were simply speaking for the rights of directors to run firms exclusively in the interests of the shareholders and were trying to prevent the extension of industrial rights.

He said that the implications of the Conservative argument were that the hard-won rights of the unions should be available to those who did not undertake the obligations of union membership.

Mr. Michael Meacher, Under-Secretary for Industry, accused the Tories of chipping away at the disclosure powers in the Bill. He said it was humbug for them to pretend that they had suddenly been converted to the need for industrial democracy.

Answering the points made by Mr. Stanley, the Minister said that, if a company thought it might have to disclose price-sensitive information, then it could appeal to the Central Arbitration Committee which would be set up under the Bill.

If there was any question of a trade union representative being put in an insider trading position, then the company could prevent this by ensuring that the information was kept confidential.

# Welcome for steel verdict

THE DECISION not to scrap 20,000 jobs in the steel industry was welcomed yesterday by Mr. Michael Foot, Employment Secretary. He told the Commons: "I naturally welcome the agreement reached between the British Steel Corporation and the TUC's steel committee very much indeed.

"We have been urging discussions between the State Corporation and the trade unions. I am very glad that they have gone so far as to reach agreement."

He was replying to Dr. Jeremy Bray (Lab., Motherwell and Wishaw) who said the agreement would "reassure many steel workers about their immediate future."

# Legal advice rights Bill

THE COMMONS yesterday gave a formal first reading to a Bill, introduced by Mr. Bryan Gould (Lab., Southampton Test), giving arrested people statutory right of access to a solicitor.

REFERENDUM

# Cautious conclusion by NIESR

BY ANTHONY HARRIS

A REPORT published by the National Institute of Economic and Social Research to-day undermines claims that U.K. membership of the EEC has involved a heavy cost to the balance of payments or the cost of living.

After a detailed statistical analysis, it concludes: "Those effects of U.K. membership which can be measured have so far been small—probably smaller than most pre-entry estimates of the cost of membership."

Even this cautious conclusion is based, not on the trade statistics which, according to the report, reveal no membership effects at all, but on a tentative projection of underlying trends, allowing for growth and income effects.

The report does, however, make one other point which is less ambiguous: so far as economic costs have been involved in joining, they cannot fully be recovered by leaving the EEC again.

The unexpectedly small budgetary contribution would be saved and it might or might not prove possible to buy food more cheaply outside the EEC (the report thinks that there probably would be some saving here, but cannot put a figure to it).

On the other hand, part of the cost is the loss of old prefential trading avantages in the Commonwealth and EFTA and the report sees no likelihood that such preferences could be restored. The National Institute, however, sees no reason why Britain should not be able to secure continued free access to the EEC market if she left, on terms similar to those negotiated by other EFTA countries.

The study, which was intended as a note in the May issue of the National Institute's Review (which has been held up by a printing dispute) contains two main studies. One is a careful analysis of the trade flows, commodity by commodity.

The second attempts to estimate how far trade patterns have been influenced by factors quite apart from Britain's membership of the EEC—the development of incomes, prices and output—so as to provide a basic forecast from which EEC effects could be measured.

This study suggests that trade has been diverted and new trade created, as might be expected, but cannot suggest the size of such changes.

The commodity study shows that while, at first sight, the aggregate figures might suggest that joining the EEC made the trade balance worse, the details show that this conclusion is misleading.

The crude figures suggest that Britain's trade deficit with the EEC was £540m. greater in 1974 than it would have been had the share of the EEC in British imports and exports been the same as in 1972. The major part of this is the rise of £430m. in the balance on food, drink and tobacco.

However, the National Institute points out that in the circumstances of the two years concerned, these imports were probably somewhat cheaper than the imports from non-EEC sources which they displaced, so that there was, if anything, a saving for the balance of payments as a whole.

Furthermore, the figures include a large rise in imports of cocoa and tea via the Netherlands—a change in shipping practices which has nothing to do with EEC membership.

The deterioration of nearly £200m. in trade in semi-manufactures again appears to have little to do with EEC membership, according to the report. Partly it is due to fluctuation in the diamond trade and in the very variable pattern of trade in some chemical intermediaries, notably naphthalene.

Partly, it reflects imports of steel and other materials because of losses of U.K. output during the three-day week. The deficit on trade in manufactures and other goods actually shows a smaller increase than might have been forecast of the basis of 1972 trade shares.

The statistical forecasting exercise does suggest, however, that there was an underlying diversion of trade in manufactures towards the EEC, partly masked by different economic developments there and in other countries from which such goods are imported.

Such trade diversion may or may not have involved an economic cost. Diversion of trade generally leads to lower efficiency, but an increase in the total interchange of goods to higher efficiency.

The study suggests that the pattern of U.K. imports has responded more strongly to the tariff changes which have resulted from joining the EEC than has the pattern of exports.

Membership has created some extra trade for U.K. exporters of finished manufactures, but little effect can be detected on exports of chemicals, textiles or basic metals.

Editorial Comment, Page 18

## Benn wrong on jobless says Wilson

By John Bourne

THE Prime Minister yesterday told the Commons that he did not agree with the figures of unemployment caused by Britain's entry into the Common Market given at the week-end by Mr. Anthony Wedgwood Benn, the anti-Market Secretary for Industry. Mr. Benn had said that half a million jobs had been lost in Britain mainly due to EEC imports.

Mr. Benn was also taken to task, although not by name, by Mr. Roy Jenkins, the Home Secretary, speaking at a Labour Campaign for Britain in Europe meeting in Derby last night.

Mr. Jenkins said: "In the past few days there has been a spate of stunts, scares and spurious statistics. The people of this country are far too sensible to risk their own jobs and the prosperity of their families on such a basis."

But Mr. Jenkins' main argument was that the priority given to social security and health care was now generaly far higher in the rest of the Community than in Britain. "In each of the other EEC countries, except Ireland," he said, "the share of national income devoted to social security and medical care is higher than on this side of the Channel.

"And the real gap between their social provision and ours is greater still when one remembers that their national incomes and living standards are now substantially higher than our own.

"They give us a standard to seek and an example to share."

### Steel industry

Thousands of people will lose their jobs in the steel industry and its offshoots if Britain leaves the EEC, Mr. Edward Short, Deputy Labour Party leader said last night.

"Let us be quite clear there will be massive redundancies—not only in the steel industry but in other steel-using industries if we leave Europe," he told a pro-Market rally at Cardiff.

## Car industry 'will suffer'

BRITAIN'S CAR industry would run downhill if the U.K. left the European Community, according to Mr. Eldon Griffiths, Conservative spokesman on Europe.

He told a businessmen's meeting in Birmingham yesterday that British manufacturers would be at a disadvantage compared with those of the Community if we left the Common Market, and he warned that exports of automotive parts to the EEC, which were worth £85m. in 1973, could be jeopardised by the Community's rules of origin.

## Over 40m. have vote

WELL OVER 40m. people will be eligible to vote in the Common Market referendum. Figures issued yesterday by the Office of Population Censuses and Surveys show the total electorate on the present register as 40,565,870.

The electorate breaks into: England 33,756,674; Wales 2,032,792; Scotland 3,733,357; Northern Ireland 1,042,747.

# Ministers irresponsible over Market, says Foot

BY IAN DAVIDSON

THE whole nature of Parliament is being altered by membership of the European Community, according to Mr. Michael Foot, Employment Secretary, who claimed at an anti-Market Press conference yesterday that membership had transformed British Ministers into irresponsible beings.

He said that political power had been transferred to undemocratic institutions in Europe and that the only way those institutions could be made democratic was through economic and monetary union and the formation of a fully federal State. "That is what the best of the pro-Marketeers want," he said.

Mr. Foot maintained that the pro-Marketeers were exaggerating Britain's veto power in the Council of Ministers and he claimed that the principle of unanimous voting would be weakened, though not abrogated, by the application of last December's European summit decision to examine ways of using majority voting on secondary questions.

The Employment Secretary took a muted line on the recent controversy over the role of the Community in the problems of the British Steel Corporation. He denied having claimed that the problems arose from EEC membership, but maintained that membership could interfere with the way the Government wished to solve the problems.

He conceded that Britain was "only half way into the Community," however, and said that the Government could still exercise considerable influence on the BSC.

### No veto

Mr. Ronald Bell, Conservative MP, claimed that the cumulative effect of the introduction of Community rules was gradually building up a framework which was continental in character and not British. "The continentals," he said, "have precise laws which they observe somewhat loosely; we have a broader approach, which we observe rather strictly."

He maintained that there never had been such a thing as a veto in the Community and never had been and that after June 5 majority decisions would take over. He warned that the federal centre of the Community would suck the life blood away from British political institutions.

Mr. Neil Marten, chairman of the anti-Market National Referendum Campaign, said that inside the Community "not only our votes will mean less and less, but our children's and grandchildren's votes will become practically meaningless as new Common Market laws as passed."

He followed this with an oblique warning: "If you can't change things peacefully, as we have been able to up to now, confrontation and conflict may be the only alternatives to an independent people such as ourselves." He explained this later by saying that a federal system would take government further from the people and would lead to frustrations.

He claimed that the major factor which had kept Britain stable, whilst other European countries had been so erratic, was that no British government could ever make decisions which would be binding on its successors.

## Peking warns of plot

BY OUR ASIA CORRESPONDENT

CHINA HAS again encouraged Britain to stay in the Common Market, and has suggested that the idea that Britain should quit the Community is part of a Soviet plot to dominate Europe.

A Peking Home Service broadcast, monitored by the BBC, claimed that there was no alternative to Europe for Britain. The radio went through the other options and ruled them out one by one.

It said: "Some say that Britain's relations with the U.S. will become closer, but judging by the development of U.S.-British relations in recent years, the period of special relationship between the two countries has long since passed.

"Some say that EFTA can be re-vitalised, but EFTA is no more than an empty shell. Some say that Britain can pin its hopes on the Commonwealth, but the past economic relations between Britain and other members of the Commonwealth have long ceased to exist."

Peking Radio went on to attack the Soviet Union: "The Soviet revisionist clique is also watching for an opportunity to play some trick. Its propaganda machine is taking advantage of the dispute in Britain to add fuel to the fire and undermine the will of Western Europe to unite against hegemonism.

"The Soviet revisionists are trying their utmost to spread ideas such as that the Common Market is a yoke on Britain and that it is stepping up interference in Britain's domestic affairs."

## 'Heartbreaking' if Britain left

IT WOULD "break Britain's heart" if she left the Common Market and lost her international role, Mrs. Shirley Williams, Prices Secretary, said yesterday.

She told an Industrial Forum meeting in London that Britain would lose influence if she withdrew from the EEC, and she added: "I don't believe we are a country that can turn its back on influencing the rest of the world.

"We have already had a very favourable effect on the attitudes of the Community to the world outside, particularly the Third World."

Mrs. Williams told the meeting—mainly of businessmen—that Britain had to face the fact the world had changed since she was a strong imperial power.

"Britain has changed in the sense that she has got to live in a world in which she has to earn her own living. We can no longer hope to live on the backs of a large part of the world in terms of the supply of cheap primary produce.

"If she has a future role, it is clear that that role must be in Europe," she said.


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REFERENDUM REPORT—GREATER MANCHESTER

# Cotton spins a tale of woe

ON THE boardroom table at Sandy Mill, a cotton spinning factory just outside Oldham, stands a horse's hoof, yellowed with age and so large it clearly came from a grand old shire-horse. A craftsman in brass has transformed it into an inkstand, and on the rim of the lid is the inscription "Captain 1884-1905."

If Captain were to turn into the street leading up to Sandy Mill to-day, dragging his load of raw cotton over the cobbled stones past the terraced cottages at the end of his ten-mile journey from Manchester, I doubt whether he would even blink as he came to the mill entrance, so little has the scene changed

But the cotton industry in Lancashire, particularly in the towns running across the North of Manchester — Manchester's "dirty eyebrow" one industrialist called it—has altered beyond recognition.

Its decline, which has quickened again this year, must be one of the most closely scrutinised industrial erosions of our time. The continued closure of mills, the loss of jobs and the extensive short-term working currently have a particular significance, however. For there are both employers and workers in the industry who can make out a convincing case for blaming the renewed crisis on British entry to the Common Market, the subsequent import into the U.K. of cheap textiles from Mediterranean associates of the European Economic Community, especially Turkey, and the inability of this country to act decisively to halt the inflow because of its responsibilities as an EEC member and the decisions of the Brussels Commission.

The argument has two sides, as Mr. Cyril Smith, Rochdale's MP, a staunch defender of "King Cotton" and pro-Marketeer, frequently points out. Nonetheless, cotton's decline, and the clear signs that large sections of the important engineering industry are following the same path, are powerful factors in the local anti-Market campaign. The difficulties are used to show that high investment and efficiency alone cannot guarantee the U.K.'s future in the Common Market, that Parliament is not in some ways (and important ones for cotton) "Sovereign," and that the EEC's regional policy may prove of little help.

The force of this anti-Market propaganda might be of less concern to the Market's supporters if they themselves were more aware of the region's economic problems, particularly in engineering, which is one of the biggest employers of skilled labour. But the progressive decline of this industry and the mounting evidence of the beginnings of a vicious circle of regional economic decline seem barely to have been perceived by some local industrialists.

EEC debating at Oldham for the local television screen: Mr. Cyril Smith, Rochdale's pro-Market Liberal MP, makes a point while Mr. Hugh Scanlon (left), Left-wing president of the Amalgamated Union of Engineering Workers, listens during a debate organised by Granada TV.

On the other hand, the North West Industrial Development Association (NORWEDA) is sponsored by local authorities, industry and trade unions, recently produced a report, which on balance urged continued membership of the EEC, and is in no doubt about the problems. It points out that of the 84,000 jobs lost in the U.K. engineering industry last year, 63,000 went from the North West, most of them from the Manchester area.

The report points out that family income in Manchester is lower than in the notoriously depressed Merseyside and cites evidence of the growing sensitivity of Manchester to cyclical recession. While the local anti-Market groups have employed these local issues to campaign on, it is difficult to determine just how effectively they will use them. The regional Get Britain Out Referendum Campaign, run by Mr. Charles Starkey from an office at a local Dunlop factory, is well organised and has attracted good local support. Thus the constituency Labour Parties of two Labour MP stalwarts of the pro-Europe campaign, Blackley (Mr. Paul Rose) and Heywood and Royton (Mr. Joel Barnett), were committed enough to send delegates to Labour's recent special conference with a mandate against the Market. Other anti-Market constituencies such as Wythenshawe are preparing to use Labour's electoral machine to campaign and canvass against continued entry. And leading unions such as the Transpart and General Workers and the Amalgamated Union of Engineering Workers are claiming enthusiasm at factory level for their campaigns, though evidence of this is hard to find on the shop floor.

There is no doubt that the Britain in Europe campaign is a lot less vigorous, a fact which is worrying local industry and some local Conservatives. The Only in the past week has the pro-Market campaign formed committees in important centres such as Stockport and Rochdale. Manchester's Young Conservatives have failed to agree to campaign for the Market and are officially sitting on the fence, while the chairman of Cheshire's YCs is actively campaigning against continued membership. Liaison between the regional pro-Market campaign and the Conservative Party appears to be poor.

Industry, as well, is cautious about campaigning too actively, to the dismay of the CBI. But, as Mr. Jack Shepherd, managing director of Turner and Newall, a big local employer, pointed out, companies are not anxious to risk souring labour relations by fighting too strenuously for the Market when so many trade unions are against it.

While political activists are heavily committed, the referendum has made little impact on the public at large. Hence, neither camp is making confident predictions about the outcome.

Plenty of people appear to be bewildered by the question they have to answer. Sadly, one middle-aged man at the Mather and Platt engineering works admitted: "I am not an educated man, and I don't understand it. But I think I could have been given more time and more information. There are only three weeks to go and the leaflets still haven't come through the door." Such a sense of inadequacy can only foster apathy or antipathy to politics and the EEC. A more self-confident and articulate man at Sandy Mill reflected the same feelings more precisely.

"Many of us are bitter about not having had the chance to have our say when the Government first took us into the Market. And now our Government is dishonest, not telling the people, bringing it home to us, just how much control has been taken away from them and gone to Brussels. I can't see one party with . . . I don't want to say integrity . . . the leadership or courage to do what's needed. They don't seem to look far enough ahead," he said.

Perhaps it is only political leaders now on the fringe of the debate who can take a far-sighted view. Thus Sir Robert Thomas, the 73-year-old Labour leader of the Greater Manchester Council, admitted that, although opposed to EEC entry, he did not think it would be a disaster whether we remained in the Market or came out. Who could forecast the future? he asked.

But Sir Robert conceded that the days when he needed to build a base of grass roots support within his Party by coming out firmly for one policy or another have gone.

Stewart Fleming


*This announcement appears as a matter of record only.*

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May 21, 1975

# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

## Light beam checks seam position

THREE YOUNG electronics engineers, on their British Institute of Management course final year project with the slacks-to-dresses manufacturing Slimma Group, have devised (in collaboration with Slimma's production engineering services) an electronic unit which has very substantially reduced the seam splitting failure rate in the trousers production of the Lampeter factory of Slimma (Wales).

Marketed as Seam Tek by Dyfed Electronics, newly founded by inventors Terrence Lewis, Ellis Jenkins and Roger Davies, the new device has effectively more than halved the rate of Slimma's returns to manufacturers, recovering its initial capital outlay in nine months. Savings shown already at the Lampeter factory have more than justified initial project costs.

Dyfed and Slimma are working on many other manufacturing problems where automatic electronic control will give improved efficiency in output and quality.

Seam Tek is basically a combination of a light source and a light sensor which "sees" through the fabric being sewn. The light sensor is adjusted to activate a warning when light values received exceed the level which will penetrate two layers of fabric correctly in tandem. When two layers fed into the sewing machine get out of tandem, giving faulty seams, a warning light tells the machinist who can make an instant correction.

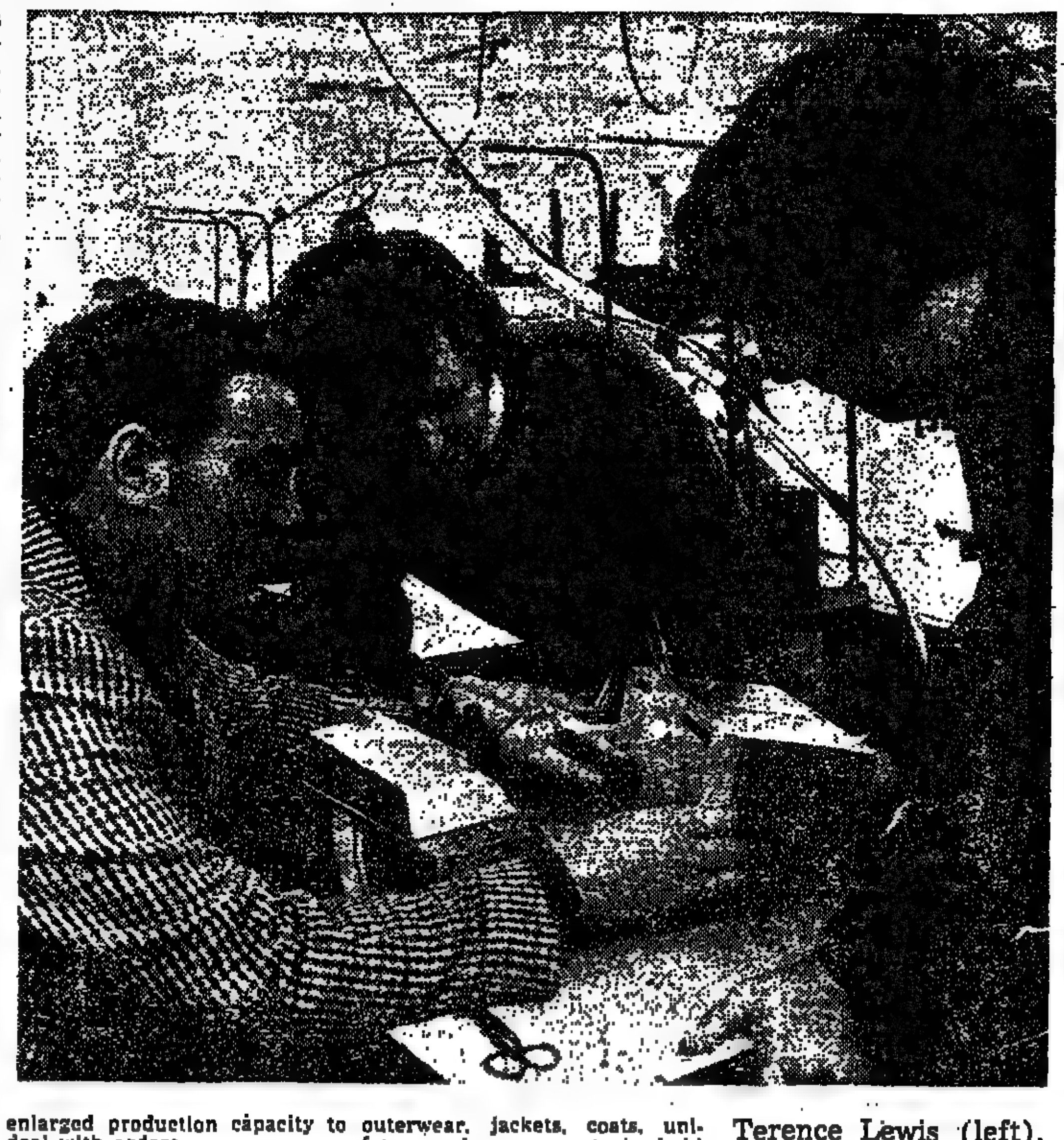
Slimma envisages being able to reduce considerably the cost of seam inspection, for the invention cuts out even marginal errors which might previously have got past the inspectors.

Although simple in construction and application, the Seam Tek was 18 months in development. The main problem was created by the fierce vibration associated with the mechanics of high speed sewing machines.

The solution was the simple development of a layout which sited the sensitive components away from the source of vibration at the sewing head, with vibration tolerant sensor registers incorporated into the sewing bed and needle head of the seaming machines.

Roger Davies sees a very promising future for applied electronics in industry, and the company is initiating greatly enlarged production capacity to deal with orders.

Dyfed Electronics, 33 Tegfynydd, Swiss Valley, Felinfoel, Llanelli, Dyfed, Wales. Llanelli (05542) 2288.



Terence Lewis (left), Roger Davies and Ellis Jenkins of Llanelli who have set up their own company, Dyfed Electronics, to make and market the Seam Tek electronic sensor which cuts out faulty seaming in clothing manufacture.

## High speed stitching machine

DEMONSTRATIONS of a new machine for the lockstitching of outerwear, jackets, coats, uniforms and so on are to be held at the Knebworth, Herts, factory of Trubenised, Stevenage (0438) 812812.

The machine works at high speed. Styling parts to programme the machine are simple and can be made by one unskilled operator manning it.

Fullness or "ease" can be incorporated and the machine can be programmed to backtack or stitch densely at any part of the stitching cycle and will also skip over a pocket and zip openings, etc. The sewing area is about 127 cm x 25cm (50 inches x 10 inches).

● NAVIGATION

## Novel ship simulator

A CONTRACT worth over £250,000 has been placed with the Hersham Division of Decca Radar by the U.K. Department of Industry for the provision of a comprehensive ship simulator suitable for the training of bridge teams including ship's officers, pilots and helmsmen. It will be the first of its kind in the U.K. and includes features which are not to be found in any other ship simulator in the world.

Capable of providing anti-collision, navigation, pilotage and ship handling exercises for ships between 500 tonnes and 500,000 tonnes, it makes the "vessel" respond correctly to wheel and throttle, and the effects of tidal stream and depth of water under the keel. The manoeuvring behaviour of the vessel is governed by a computer mathematical model developed jointly by the National Physical Laboratory Ship Division and by Decca. Incorporated are a wheelhouse with a bridge control console including wheel and autopilot, engine throttle, anti-collision radar, ship's telephone, radio communications, warning annunciators and chart table.

A major innovation is a bridge window through which can be seen the bows of own ship, lights of navigation marks and lights of other ships. Up to 16 lights can be shown at one time, for example 8 buoys and 2 other ships. The lights move with the correct perspective as own ship and the other ships move, and are properly correlated with the echoes on the radar display. Mounted above the bridge window are instruments, including heading repeater, log, rate of turn indicator, engine revolutions and clock. Engine and propeller noises and vibration are generated, varying correctly with engine revolutions.

The simulator may be programmed for real or artificial exercise areas, which can be changed in a few minutes by inserting different magnetic tape cassettes. Each exercise is automatically recorded on a track plot for subsequent analysis, together with recordings of rpm, ship speed, rudder angle, rate of turn, drift angle and heading.

The complete simulator is built into two 36 feet Portakabins, one containing the wheelhouse, equipment room and Captain's day cabin and the other housing the bridge window projection system and screen. The general design is based on extensive trials with experienced Masters and pilots, and provides a high degree of realism. Approach channels of any length and complexity can be set up with no artificial restrictions on position of own ship. Navigation marks and other ships can be included in the same exercise.

Decca Radar, Decca House, 9 Albert Embankment, London, SE1 7SW. 01-735 8111.

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● MATERIALS

## Lessens the risk of explosion

FOIL packing material which prevents volatile fuels, chemical solvents and gases in containers exploding, even in extremes of heat, is now available for development trials in the U.K.

Called Explosafe, the material is an expanded aluminium alloy which is packed in rolls or layers into the storage vessels or fuel tanks, dividing the capacity into a multitude of tiny cells each so small that it cannot contain enough oxygen to support combustion. There are about 20,000 cells for every gallon of capacity.

Tests have shown that punctured and nearly empty fuel tanks can be safely gas-welded when protected with Explosafe. Incendiary bullets fired into tanks containing highly voltatile liquids failed to produce explosions during other tests as did fierce fires started beneath the tanks.

Explosafe will continue to protect up to its own melting point, which is 650 degrees C., and it does not deteriorate with age, says the maker.

Apart from the cell structure created by layers of material the continuous foil strands of Explosafe dissipate heat rapidly, serving to reduce "hot spot" temperatures to below flash point. Any vapour tends to condense on to the strands.

A feature of Explosafe is that it appears to fill completely the capacity of a container—it displaces only 0.5 per cent. of the volume. It is also extremely light, only ¼ pound being required for each gallon of liquid.

Explosafe is produced in the U.K. by Expamet Industrial Products, 16, Caxton Street, London, SW1A ORA (01-222 7766), a subsidiary of the Expanded Metal Company, in association with Explosafe International NV.

● METALWORKING

## Cast piece cleaning automated

FETTLING of cast components is a tedious and dirty job if it has to be carried out by hand. However, automated equipment is being offered by F. E. Rowland and Co. of Reddish. For use either with wet grinding or dry grinding (dust extraction) systems, the unit compromises a continuously rotating work carrier with adjustable tooling positions which match variations in component shapes.

The work retaining unit consists of an endless belt and support pulleys which revolves in step with the carrier and clamps the component positively into the location blocks. Clamping tension is applied by a system of balance weights.

Carborundum grinding discs are used with wheel wear indicated by a warning light at the push-button station. Totally enclosed fan-cooled motors provide the drive.

Equipment of this type has already been applied for the removal of casting flash from hexagonal parts in stainless steel, railway chairs, and brake cylinder bodies among others.

F. E. Rowland and Co., Climax Works, Station Road, Reddish, Stockport. 061-432 3201.

● DATA PROCESSING

## Cables by shortest route

OFFSHORE DRILLING and production platforms must accommodate their own electricity generation and distribution systems to feed a wide variety of pumps, motors, compressors, cranes and other types of equipment.

In order to facilitate the design of the many cables required on their North Sea rigs, the Shell/Esso consortium has contracted with the Electrical Research Association (ERA) for the utilisation of the CAPICS (Computer Aided Processing of Industrial Cabling System) suite of computer programs on six oil platforms currently in the design and construction stage.

CAPICS programs have been developed in three modules to offer the designer a design, material takeoff and planning service that will take all cables along the shortest route, and size power cables, while leaving the designer a free hand to pre-size and/or pre-route particular cables if so desired, and to modify the design as new information comes to hand.

ERA, Cleeve Road, Leatherhead, Surrey KT22 7SA. Leatherhead 74151.

## Dictionary controls data groups

DATAMANAGER, a data dictionary software package developed by Management Systems and Programming with support from the U.K. Government's Software Products Scheme, is now available for IBM System 360/370 users operating any variant of DOS or OS.

Investment to date by MSP totals £150,000, with a planned investment programme running through currently till December 1975 amounting overall to £½m. Sales projections world wide over the next three years, based on the initial extensive market survey carried out by MSP prior to embarking on the development, stand at 300 copies at an average current day cost of £5,000 per copy. Bearing in mind that estimates for users of Data Base Management Systems worldwide currently stand at 1800 to 2000 this target, in a market where the need has already been perceived, is felt by MSP to be readily achievable.

Datamanager has been under development since March, 1974 and is scheduled for staged release during 1975. The first stage of the package, released on May 1, consists of the data dictionary set-up, maintenance and interrogation facilities. This is the central component of the package.

The dictionary is a centralised store of definitions concerning the total data resource of an organisation. In the case of this package the dictionary contains comprehensive information on the attributes and relationships relevant to each dictionary member. The attributes define the data exactly giving its form and content, while the relationships define exactly its logical interactions with other dictionary members.

MSP is at 71 Gloucester Place, London W1H 3PF. 01-486 3947.

● HANDLING

## Van loading made easy

MECHANICAL handling equipment company G. Hunter (London) has a new liftable with a swing lip—the "Van Loader"—for loading vehicles from ground level.

In operation, a pallet truck is moved on to the liftable which is flush to the floor. Press button control raises the platform to the vehicle bed height and lowers the swing lip to rest on the bed. The pallet truck is easily pushed into the vehicle, unloads or loads, is moved back onto the liftable which reverses the process.

Available in two- and three-ton capacities, and platform sizes of 1.8 metres by 2.5 metres or 3 metres, the unit provides lift heights up to 2 metres.

G. Hunter (London), Gumley Road, Grays, Essex. (0375 5155).

● TRANSPORT

## Trailer can lift cable drums

THE FIRST of 16 completely self contained trailers custom-built by Eagle Engineering of Warwick for the Post Office is en-route for Russia to be displayed at SVIAZ, the communication systems and equipment exhibition which opens at the Sokolniki Park, Moscow on May 22.

Capable of self loading and transporting large cable drums up to 7½ feet in diameter and weighing more than 4 tons each, the vehicle was conceived by the Post Office and developed by Eagle.

A petrol engine controlled from either the front or rear of the trailer powers the hydraulic system pump, circulating oil from the reservoir to which it is returned after passing through valve banks along the length of the trailer.

To load a cable drum the trailer is positioned alongside and stabilising jacks hydraulically lowered from their travelling position on the trailer; after which twin hydraulic cylinders pivot the selected cable drum support frame outwards over the drum. Drop arms hinged off this frame housing support brackets for the drum spindle.

Once secured the drum is raised and swung over the trailer frame where the drop arms are pegged to prevent movement during transit and clamp shoes lock onto the drum rims. These shoes illustrate another dual function as they also act as brakes, regulating drum rotation during cable laying.

Drums can be loaded or unloaded to either side of the unit, control valves being mounted both sides to provide best operator vision. Hydraulic power is also employed to drive a generator for site lighting etc., and controls a rear winch and rope storage reel.

Eagle Engineering, Warwick (0926 44321).

● PROCESSING

## Hair dried faster

HUMAN and synthetic hair is being dried up to 60 times faster by using a combined microwave and hot air oven instead of a conventional electric oven at Socross Hair Company, London, S.W.16. The new oven, supplied by Hirst Electric Industries Limited, Crawley, Sussex, is used to bake-dry prepared hair for supply to the wig-making industry all over the country. It measures 31½ inches wide by 32 inches high and replaces two ovens 7 feet wide and 6 feet high that were previously used.

Hirst has called it Articair, and it is the first unit of its type to be installed for use in the preparation of hair-pieces, but other ovens are used industrially and in laboratories to dry thoroughly and rapidly samples for evaluating moisture content of a range of materials.

It operates on mains input of 220/260 volts, 50/60 Hz. The microwave output is continuously variable between 500 watts and 2 kW. The hot air consumption is 3 kW and gives up to 550 degrees F in the cavity controlled by thermostat.

BOC, Hammersmith House, London W6 9DX. (01-748 2020.)

● COMMUNICATIONS

## Link to oil rig

A TROPOSPHERIC scatter radio communications link between a Burmah Oil Development oil production platform in Thistle Field in the North Sea and a Post Office coast station at Mossy Hill, Scousburgh, in the Shetlands is to be supplied by Marconi Communications Systems.

The order is worth over £¾m. and it follows a series of contracts won by Marconi over the past two years to supply similar systems to British Petroleum, Phillips Petroleum, Occidental, Mobil and Total Oil Marine. The system is being designed by Burmah Engineering; when complete it will be the most northerly in the North Sea oil area and will span a distance of 140 miles.

Using Marconi's H3112/H3712 equipment and operating at 2.0 GHz, the link will have an ultimate capacity of 72 channels for telephone, telegraph and data communications. It is expected to come into operation during 1976.

● ELECTRONICS

## TV tube can see by starlight

MULLARD has a new intensified silicon-vidicon (ISV) television tube for use in low light level TV (LLL-TV) systems. Designated S70XQ, the new device is one of four types comprising a family of LLL-TV pickup tubes now available.

S70XQ family members have a typical sensitivity of 200 microamperes per lumen and a resolution of 30 per cent. modulation depth at 400 TV lines per picture height. All four tubes in the family have a wide dynamic range, which allows them to produce usable output signals at light levels as low as near starlight while retaining the capability of giving high quality pictures at light levels that would only be marginal for conventional pickup tubes.

Mullard House, Torrington Place, London WC1. 01-580 6633.

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# FINANCIAL TIMES SURVEY

Wednesday May 21 1975

# FERROUS SCRAP

Twelve months ago the ferrous scrap industry could not provide enough material for the country's steel producers. Now the situation has completely altered and prices have slumped accordingly. However, the longer term situation should certainly prove favourable for ferrous scrap.

## Prices at a low ebb

THE LAST 12 months have been extraordinarily turbulent for Britain's ferrous scrap industry. This time last year the industry could not provide enough material for the country's steel producers and the price of scrap averaged around £30 a tonne. Now offers of deliveries are being turned away, particularly by the British Steel Corporation's depressed strip mills in South Wales, and prices are not averaging more than £20 a tonne.

It is estimated that over 52 per cent. of all the steel produced in Britain comes from scrap. It is the source of around 75 per cent. of all cast steel, 50 per cent. of all cast iron, 80 per cent. of all wrought iron and 60 per cent. of all refined pig iron. It is easy to see, therefore, that ferrous scrap, and the industry formed around the collection of the material, make an immense contribution to the U.K.'s balance of payments, saving the nation the cost of importing millions of tonnes of iron ore each year.

*In a normal year*—which 1975 will not be—the U.K. uses nearly 19m. tonnes of ferrous scrap, with the British Steel Corporation consuming some 12m. tonnes, other steelmakers 3m. tonnes and iron foundries some 4m. tonnes.

*About half of this scrap is* recycled in the course of production in steelworks and foundries, while most of the remainder is recovered by the reclamation industry, using increasingly sophisticated machinery. Scrap is now very *big business—annual turnover* of the ferrous scrap sector of reclamation is well in excess of *£300m.—yet there* still appears to be room for the small man within it.

Although four companies account for about half of the *trade carried out in scrap in* the U.K., the British Scrap Federation has more than 700 members and it has been suggested that there may be as many as 20,000 collectors in all, ranging from the horse and cart brigade to the highly sophisticated concerns at the top of the industry.

### Pinch

Some of the smaller concerns are *obviously feeling* the pinch at the moment, with the industry in the depths of recession, but this is not true of all. One of the very biggest companies pointed out to me recently that the important thing for those engaged in the industry to remember now was that it was their margins which must be retained not prices. And most of them, he said, realised the point very well.

A high selling price is not necessarily a good thing. If the agreed price for scrap rises, the dealer has simply had to pass on this increase to his *suppliers. In that event, all that* a high selling price means to him is that he is carrying a higher value of stocks and work in progress (even though the tonnage remains the same) and so shows an even smaller return *on capital employed. He may also have to increase his bank* borrowings to finance the stock.

It is only possible to maintain margins if demand does not collapse, however, and in this respect some companies have been more fortunate than others. In general, it appears *to be the larger companies* which have avoided the worst of *the cut-back in orders.*

This may be partly due to the stated intention of the British Steel Corporation, the scrap industry's biggest customer, to concentrate its business into *fewer hands.* Last autumn the BSC introduced what was called a two-tier buying system in an attempt to reduce the number of merchants—then about 260—which it dealt with.

Under the two-tier system the Corporation began to pay premiums for *agreed tonnages* to three leading merchants—the Cohen 600 Group, Thos. W. Ward and Cooper. Later the number was extended, but not so far as to include all the BSC's previous suppliers.

At present the BSC is reviewing *its list of scrap suppliers* and is likely to omit quite a *number,* particularly those which it feels do not have adequate processing plant. In the past the Corporation claims that it has had a problem over *quality,* partly attributable to *the inadequate sorting equipment* operated by some merchants.

### Reduction

It is also possible, of course, that apart from anything the BSC might do, the natural course of events during the recession could lead to some reduction in the number of merchants.

On the other hand, as the Corporation seems intent on putting its relationship with the merchants in order, there is less *likelihood that it will take the* direct stake in the scrap industry which once looked probable—certainly not in the short-term.

Apart from the volatile nature of demand, and the strong impact this has had on prices, the *scrap industry has also had to* cope with a great deal of restructuring and uncertainty because of Britain's membership of the European Coal and Steel Community. In general, it should be emphasised, the industry firmly believes that the U.K. *should remain in EEC,* but there can be no doubt that the transition period which it went through before full membership was attained caused many headaches.

This was not really surprising, however. Until Britain went into the *EEC* the operation of the scrap industry had been very effectively regulated by a 35-year-old agreement between the scrap merchants and the U.K. steel producers.

Under this agreement prices were fixed centrally in return *for the steelmakers undertaking* to give preferenc to scrap arising in the U.K. The merchants obtained some security of demand while the steelmakers were guaranteed a relatively cheap raw material supply.

This rather comfortable arrangement was brought to an end two years ago, however, in preparation for Britain's moving towards full conformity with the rules of the ECSC, which provide for free trade in scrap between member countries. The effect was remarkable.

Partly because of the BSC's determination to obtain more scrap during a period of shortage, and partly because of an inevitable move upwards towards Continental levels, the price of scrap soared. Indeed, between September, 1973, and No4vember last year, prices went up by around 120 per cent.

The price surge was a very short-lived phenomenon, however. Almost as soon as the last price rise was agreed between the merchants and the BSC, evidence was mounting that the bottom was about to drop out of the market for steel world-wide and that scrap prices would come under pressure.

And that is what happened. Since the middle of January this year the price of best quality ferrous scrap has slipped from £35 to £24 a tonne, while the price for lower grades is now down to £10 a tonne, which means that it is hardly worth while bothering to collect this type of scrap in some areas.

Since the start of this year export restrictions on scrap to fellow member countries of the ECSC have been *freed,* but there are still fairly stringent restrictions on sales to third countries. The merchants obviously want those controls relaxed.

Last year—the final one before transition to the ECSC—the industry exported only 311,000 tonnes of scrap, worth nearly £12m. In the first two months of this year, on the other hand, overseas sales amounted to 84,986 tonnes, worth around £3.8m.

Exports are already increasing, therefore, following the end of the controls on sales within the ECSC, and Britain's steelmakers are not likely to want *to see a much greater proportion* of scrap start leaving the country. Parts of the private sector steel industry are particularly anxious that exports should not get out of hand.

The general feeling within the sector is that the market *for steel could be booming again* in two year's time. This would mean that scrap—the most important basic material for much of the private sector, since it makes up most of the charge fed to electric arc furnaces—will become scarce again.

Certainly this seems to be the Government's assumption. Its one real complaint about membership of the ECSC has been that this has meant that it has been unable to conrolt privae sector steel investment, and particularly the proliferation of scrap-consuming mini-mills. And the Government's "War on Waste" Green Paper, produced last year, also assumed that longer term market forces were *favourable to further* growth in scrap recovery.

**Harold Bolter**
**Industrial Editor**

## Dual benefit

THE CLAIM that the scrap industry removes an ugly scar while providing a valuable national asset is unlikely to be challenged and it is to be hoped that its dual contribution to the economy and to the protection of the environment will increase further.

All scrap iron and steel that lies unused is at best an encumbrance and an unnecessary drain on vital resources while, at *worst, it represents a dangerous* eyesore. The scrap industry, therefore, serves the community on two levels, providing an essential raw material and helping to shield the environment from the cumulative clutter of unwanted and outdated machines, equipment and buildings which are being constantly *rejected* by rapidly expanding technology.

It is equally true to say that while the industry's contribution is immense, its value has been underestimated for far too long. Few sectors have had to fight against such a poor image and convince people that it involves tens of thousands of people, from totters to giant companies, providing Britain's steel industry with between 7m. and 8m. tonnes of raw materials a year or, if manufacturers' scrap is taken into account, a quarter of its total requirements.

Overall, the balance of payments saving through the use of scrap in steelmaking has been estimated at over £100m. a year and while that in itself represents a valuable contribution towards *restoring the nation's* health, no estimate can reasonably be placed on the value of its role in helping to keep the country litter-free.

To take a simple but important example, more than 1m. old vehicles are each year removed *from the streets and rubbish* tips and recycled in whole or in part for use a second time round.

But if the past record has gone largely unrecognised, the general climate is now apparently changing quite rapidly.

CONTINUED ON NEXT PAGE

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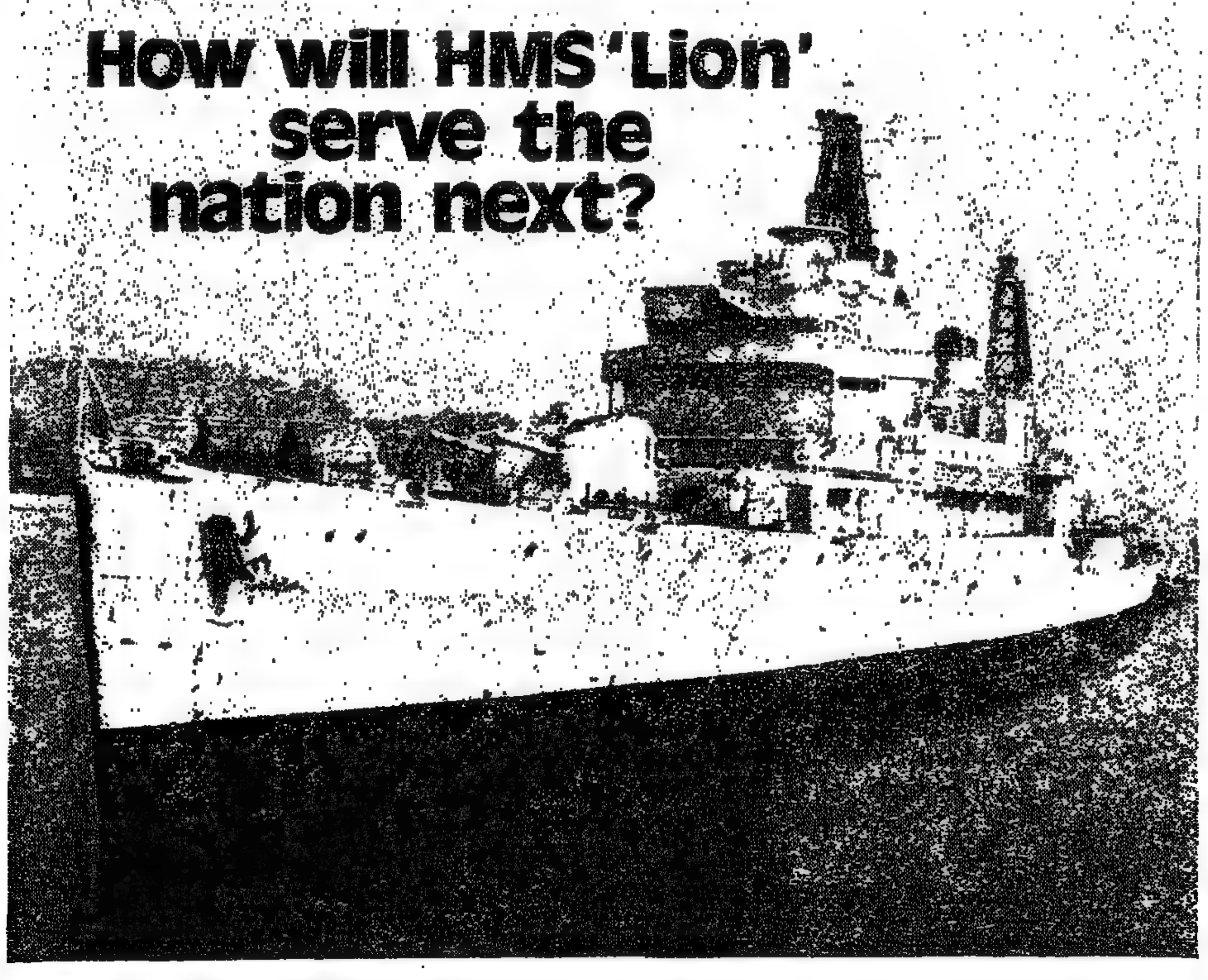


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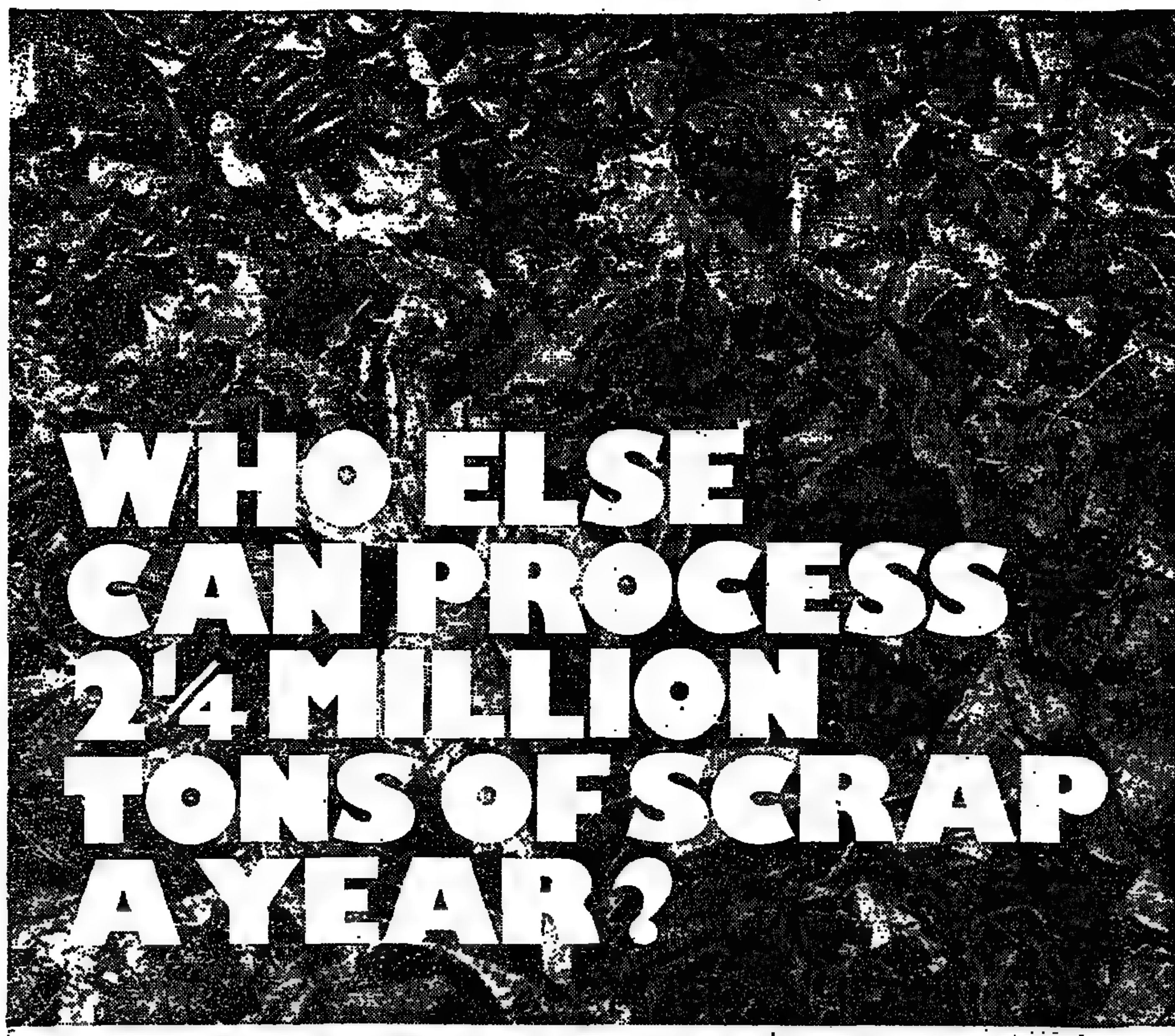


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# Interdependence in markets

THE U.K.'s biggest user of ferrous scrap, and therefore the scrap industry's largest customer, is the British Steel Corporation. At the same time, as the country's major steel-producer, the Corporation naturally generates more scrap than any other busines. Add to this the fact that the BSC is probably the largest user of stel, particularly now that it is putting in so much new plant and equipment, and you have some idea of just how interdependent are the steel makers, their customers and their suppliers.

Last year the BSC took about 6m. tonnes of ferrous scrap, double the quantity supplied to the independent steel-making sector (members of the British Iron and Steel Producers' Association). The other major market was the ironfoundries, which in 1974 needed roughly 3.5m. tonnes of ferrous scrap.

In modern steel making about half the raw material by weight used is scrap, so it follows that a healthy steel industry should produce a healthy scrap industry. Just now the U.K. steel industry is looking anything but in good shape.

The latest production statistics from the U.K. steel industry (both the BSC and the independent sector) show that during April output averaged 429,500 tonnes a week. This was a depressing 13.2 per cent. below the March figure of 494,700 tonnes and 6 per cent. below the April 1974 level.

Giving the details last week the producers blamed "the continuing cut-back in orders from manufacturing industry." They said that the fall in demand, which first affected flat steel products at the beginning of the year as a result of the depressed output from the motor and consumer durable industries of the special steels and tubes markets.

As far as the BSC is concerned, the only market which has not weakened in recent weeks has been that for heavy tube—thanks to the North Sea operations.

Recovery, when it comes, will be delayed to some extent by the stockbuilding currently going on—often involuntarily. Last week the Department of Industry suggested that merchants' stocks were up to 1.05m. tonnes, reflecting "in part the delivery of import orders placed towards the end of 1974." Total steel stocks in the U.K. at the end of April stood at a peak of 5.98m. tonnes, equal to 18 weeks normal supply.

What of the other main market for scrap? Demand by customers of the ferrous foundries is also very much reduced just now. And that industry in 1974 did not have such a successful year as had been expected.

Production of iron castings totalled 3.19m. tonnes, some 7 per cent. below that for 1973 and 3 per cent. down on the 1972 performance. In fact, it was the lowest annual tonnage since 1947 and could be attributed to the misfortunes of two of the industry's largest customers—the motor industry and the steel industry.

Things can scarcely have improved for the ironfounders because both these major markets — and the automobile sector, which embraces passenger cars, commercial vehicles, diesel engines, tractors and cycles, takes nearly one-third of all the iron castings produced in the U.K. — still show no real signs of recovery from the doldrums into which they have sunk.

The ironfoundries' scrap requirements are selective and differ from those of the steelmakers. So last year the foundries, unlike the steel producers, had no realy difficulty in obtaining their full requirements of scrap provided they were prepared to pay the high prices demanded. Now, of course, the proverbial boot is on the other foot and many of the ironfoundries are more or less telling the scrap merchants what they will pay rather than requesting a price quotation.

While most people are currently shying away from commenting on the immediate future prospects for the U.K. ferrous scrap industry, there are some longer term happenings which could have some effect on the markets for scrap. The development of the mini-mills in the U.K. is one factor. They currently use only scrap as their raw material because they have electric arc furnaces. At present electric arc furnaces account for around 15 per cent. of the U.K. steel industry's normal output. They use high-grade scrap and produce high-quality, low-volume special steels.

## Shortages

And last year's scrap shortages certainly influenced to extent the BSC's decision to go ahead with a direct reduction plant at Hunterston on the Ayrshire coast. This plant, which will be small by industry standards and cost £20m. or so, will take high-grade iron ore from Sweden and put it through hot gas to increase the iron content from 65 per cent. to 93 per cent. The resulting pellets of iron can be used by electric arc furnaces instead of scrap. The BSC already knows it can use the pellets in this way because it tested them four years ago at two of its plants.

The proposed BSC direct reduction—or pelletisation plant—is based on German technology. The rights to the process—called Mildrex—belong to the Korf group, which is using the material produced at one of its own mini-mills. An American group is also using the pellets.

The new BSC direct reduction plant will take about three years to get into operation. There is also a good chance that the private sector steel makers will build another direct reduction plant at Hunterston, this one with a projected output double the 400,000 tonnes Corporation's plant would turn out each year.

All this activity indicates that the steel industry feels that the supply of good quality scrap will be in continuous short supply in future. It seems certain the world will go on using its steel for things like fridges, freezers and cars so that, when it is scrapped, it has plastic and cloth sticking to it.

So the scrap industry in no way fears the coming of more direct reduction capacity in the U.K. The feeling is that the development of more mini-mills with their electric arc furnaces will expand the market to such an extent that there will be room for both scrap and the pellets produced by direct reduction. On this score the scrap merchants can point to the declared aim of the BSC itself to put down two ne welectric arc furnaces in Scotland, one of them with an output of 1m. tonnes a year.

With the downturn in the U.K. demand for ferrous scrap, the merchants have been looking to exports to fill in the gap. On January 1 this year all restrictions on the export of scrap to EEC countries were removed, just too late to be of any real benefit to the merchants. Continental prices for scrap had begun to fall by that stage so that they were roughly in line with the U.K. once freight charges were taken into account.

There is still much to be done, as far as the British Scrap Federation is concerned, to persuade the Government to change the quota of scrap for the "third" of non-EEC countries. For the first quarter this was fixed at only 15,000 tonnes, the same as the quota for Denmark and considerably less than those granted to France, Germany and Benelux countries. The British Scrap Federation has been pressing for a larger general quota and for a much fairer distribution to individual companies.

Even so, when the figures are finally put together, exports of ferrous scrap for April are likely to be double the total of each of the preceding three months.

And in the future, if Britain remains in the Common Market the U.K. scrap merchants will have the chance to offset any downturn in U.K. demand by exporting to Continental Europe. In reciprocation, however, European scrap could come flowing into Britain at those other times when demand in the U.K. is high and European prices generally lower.

**Kenneth Gooding**

# Dual benefit

CONTINUED FROM PREVIOUS PAGE

with the growing awareness that natural resources are becoming scarce as consumption accelerates.

Recycling has been given the official "stamp of approval" by the Government, which believes that a new national effort to conserve and reclaim resources is long overdue.

The drive for conservation and reclamation will, of course, be aimed at a far wider world than that of ferrous scrap, although this is one of the greatest potential areas for savings. Every day, all kinds of items are thrown out from homes, factories, offices and shops, amounting to an estimated 40m. tonnes a year or even more and such large-scale losses of potential raw materials can have serious repercussions for the U.K., so heavily dependent on imports.

Another factor to be considered is the question of pollution, for if wastes are not recovered they have to be disposed of in another way, and this generally involves tipping on land—a practice which has arrived at the centre of a new controversy because of the dangerous industrial substances now being dumped — or discharged into water. Either method of disposal can cause serious pollution problems and with increasing concern for protection of the environment, higher standards of disposal are becoming necessary.

Metals form the group of materials with the best record to date for overall recycling and in the case of common metals around half of the material used in the production process is scrap. This figure does, however, include the "new" scrap which is simply fed back into production and represents an uncontaminated, homogenous and concentrated supply of material which has none of the problems associated with old scrap derived from discarded products.

The growth of metal reclamation in the U.K. originates from the lack of natural raw materials upon which to found a primary smelting industry. Added to this, metals are among the most easily recycled materials and provided they are recovered in good condition, free from contamination by other metals, then they need only be added to the smelter and remelted.

An area where the separation of metals causes considerable technical difficulties and yet where reclamation can have one of the most direct environmental impacts is the case of the tin can. Most of this product is steel, covered by a thin coating of tin and soldered with a tin-lead alloy. It may also be contaminated with lacquers, organic wastes and with aluminium. This metal mix complicates any attempt at re-use and it is thought that about 750,000 tonnes of tin cans are thrown away in domestic refuse every year, representing a significant loss of steel from the reclamation cycle.

Present methods of recovery of metal cans from mixed refuse invariably result in a good deal of contamination of the material, and to improve the quality would mean further processing and would also impose further costs on local authorities. Cans separated at source by house-holders are more likely to be free of contamination but this would clearly require the general support of the public.

Nevertheless, overshadowing all the technical problems associated with recycling—namely collection, separation, cleaning and recovery — is the economic aspect. All too often reclamation has remained a "fashion" to be followed only when shortages of virgin materials arise and this basic attitude will clearly have to change.

Local authorities, for instance, are understandably reluctant to embark upon expensive schemes to produce clean refuse cans unless they have some confidence of a continuing outlet at reasonable price levels, while companies engaged in the recovery process are equally wary of large capital commitments if both their source of supply and their outlets are uncertain. At the moment, the majority of metal container produced are thrown away and it may well be that the economics of recycling will dictate that this continues, unless other factors, such as overseas trade balances, take on a greater influence.

From the conservationist point of view it would be encouraging to report that a growing proportion of used cans were now being recovered by the two available processes, de-tinning or melting. In fact, the reverse is the case.

One of the most interesting recent developments in the tin recycling field has been the new company established jointly by Metal Box—the U.K.'s biggest can manufacturer—the British Steel Corporation and Batchelor Robinson, the largest scrap tinplate recovery company in the country. The new company, Material Recovery, is to recycle cans from domestic waste with what it claims to be a unique process and it envisages as much as 400,000 tonnes of scrap a year being handled in the long-term.

It may, in the context of the overall potential for materials recovery, seem a small step but any increases in reclamation and recycling activity should be welcomed by all those anxious to establish improvements in environmental quality. They are improvements which will only come about with the full support of every sector of the community, not merely the scrap industry. Local authorities, industry and the public will have a part to play in saving the nation money while preventing any further deterioration in environmental standards which can so easily slip in a "throw away" society.

**Michael Cassell**

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# Shortages likely to occur again

THE RECENT news that Welsh steelworks were declining to accept further scrap deliveries for the time being is but the latest blow in what must be as severe and rapid a reversal of fortunes as the ferrous scrap industry has seen for a long while. In these inflationary times, frequent price changes are the order of the day, and scrap has been no exception. So far this year, the price paid by steelmills has changed four times—but in a downwards direction. And this has happened hard on the heels of a period in which prices were fast going up—four advances in 1974—and severe shortages of material were occurring.

## Slump

Behind it all, of course, is the slump in steel demand which has hit all the world's major steel producers at much the same time, forcing output down to near disaster levels. So bad has the situation become that, on the Continent, some producers put in a plea for aid to the European Commission (which very largely rejected it), while, in Britain itself, the slump has resulted in the well-publicised short-term redundancy proposals of Sir Monty Finniston, the British Steel Corporation chairman, which come on top of the existing long-term plans to reduce the BSC labour force (and which have helped to lead to the almost ludicrous—if it had not been so serious—row between Sir Monty and Mr. Anthony Wedgwood Benn, the Industry Secretary).

The scrap merchants themselves are caught two ways by the consequent affects on them of changes in the demand and price equation. First, they suffer in the same way as any business when its sales turnover drops. And, second, they face additional problems caused by the fact that the supply of scrap material, although it can vary considerably, does not necessarily bear much relation to demand, and that their own suppliers still expect to be paid at at least the pre-existing level when the prices the merchant can command fall.

A little over 50 per cent. of Britain's steel is made from scrap (not to mention 75 per cent. of all cast steel, 50 per cent. of all cast iron, 80 per cent. of all wrought iron, and 60 per cent. of all refined pig iron). But this material can be divided into three types.

First there is process scrap: material which arises during the production of goods manufactured from steel. This includes, for example, the swarf from motor industry drilling and milling operations or bushy turnings from lathes, and so on. Perhaps up to 18 per cent. of *new steel, it is estimated,* becomes scrap during the finished goods manufacturing process.

Second comes capital scrap—the material that springs immediately to the mind of most laymen when scrap metal is mentioned. This is the stuff reclaimed from manufactured products of one sort or another which contain steel and which have been discarded as having reached the end of their working lives.

Third, there is circulating scrap: scrap that arises in the steelworks themselves. Something like 30 per cent. of the total steel melt ends up as scrap in the steelworks, and is put straight back into the melting pot.

Overall, the steel industry buys in some 50 per cent. of the scrap it uses from outside. Last year, its total consumption was 12.2m. *tonnes, of which 6.6m.* tonnes were purchased at home, 112,000 tonnes were imported (for the middle part of the year was a period of acute shortages) and 5.5m. tonnes arose in the steelworks, with 54.8 per cent., the highest figure in five years, of the scrap used being bought from the merchants. Clearly, when steel production falls, it is the level of scrap bought from outside which is cut back (though the amount arising in steelworks does also decline, of course) so that the proportional demand drop experienced by merchants is even greater than the fall-off in steel output.

## Tight

And this is just what has been happening. It follows a boom period last year, when prices rose by an average of around £17 a tonne (which meant that good quality melting scrap, for example, was costing the BSC around £35 a tonne at the year-end against perhaps £12 a tonne in early 1973) and supplies were very tight indeed.

Thus, in May, BSC was seeking deliveries of around 100,000 tonnes a week (which was roughly what the average over the whole year worked out at) and complaining that it was lucky if the actual figure was up to 60,000 tonnes. In July, it was reported that so great was the world shortage of steel scrap that one American company had taken to the expensive process of ripping the steel linings out of old oil wells to help build up supplies.

As demand in Britain peaked in the middle of the year, the progression toward greater export freedom for merchants was halted and then reversed despite Common Market membership and its requirement that sales to the EEC, at least, be gradually freed over transition period following the demise of the pricing and marketing agreement which, for over 30 years, had tied the merchants to the British steel industry and was associated with tight State control on the overseas sale of what is regarded as a strategic material.

At the same time, BSC introduced, in some secrecy, a policy of paying premium prices to selected merchants in a controversial bid to gain security of supplies. As late as November, overall prices were still rising, and some surprise was occasioned by the Government's honouring the Common Market commitment to free exports to the other European Coal and Steel Community countries when it did so at the year end (though it is difficult to see that there was any alternative).

But it was not long before it became clear that the situation was changing, and changing very rapidly. In January, prices started falling. In February BSC imposed price cuts and the British Scrap Federation was reporting "a rather gloomy picture with little or no encouragement or relief from overseas markets."

The Continental market was "still weak, with very little demand for scrap in some of the EEC countries" (so much for the freeing of exports to the Common Market). Spain and Italy were buying limited amounts, but the removal of export restrictions by the U.S. was tempering demand there.

CONTINUED ON NEXT PAGE

# A new consortium

THERE CAN be few industries so tightly integrated in their operations as the ferrous scrap industry. At one end of the scale are the totters, gipsies and boys with barrows and very small businesses doing their own collections of abandoned ferrous and other material and undertaking some rudimentary sorting of it.

Generally they sell to the 800 or so medium to large merchants handling 5,000 tons upwards a year, doing most of the central collecting and employing extremely sophisticated equipment in many cases. More than half of these larger companies sell directly to steelworks. The remainder deal with the others before their products, too, find their way to the steelmarkers.

This outline of the industry structure shows quite clearly how one company relies on another and how even the men with the "Steptoe and Son" image play their part. Indeed, the totters and so on probably supply 10 per cent. of all scrap, much of it of very high quality, and at the same time meet a national need in the cleaning up of the countryside. At the other end of the industry, the largest ferrous scrap business in Britain is undoubtedly 600 Metal Holdings which resulted from a major shake-up among some of the most-prominent companies in the early 1970s. It started when Thorn Electrical Industries acquired Metal Industries which, in turn, had as one of its offshoots Cox and Danks, a big ferrous scrap business. Also in the MI portfolio was Shipbreaking Industries (whose *operations are obvious from its name)* and John Allan (Glenpark), a non-ferrous scrap concern.

Thorn could not see these businesses as very much in line with its mainstream operations and completed a deal with the George Cohen 600 Group by which their scrap operations were combined. Thorn ended up with around one-third of 600 Metal Holdings and the 600 Group took on the responsibility for its management.

Second in the ferrous scrap league is Thos. W. Ward whose founder actually began the business by collecting scrap metal with a barrow. The Ward story is not unique in the industry. Most of the companies have been built up by successful entrepreneurs who were willing to go out and snap up bigger and bigger opportunities when they were patented.

Companies like the 600 Group and Ward used the profits from their scrap business to diversify into allied operations. So it is that Ward now has big engineer*ing interests and, among other* things, the 600 Group is one of the U.K.'s major manufacturers of machine tools.

Other important companies at the bigger end of the industry include United Scrap, a subsidiary of London and Northern Securities and at the same time the parent company of Cooper Metals whose operations are mainly concerned with scrap. United also takes in John R. Adams of Glasgow, another well-known name in the industry.

Then there is Brassway, based in the Midlands; the Bird Group which through Birds (Swansea) and other subsidiaries is one of the leading processors of high density scrap; Arnott and Young, probably the largest ferrous merchant in Scotland; Church and Bramhall, another Midlands-based business; and Proler Cohen, another 600 Group subsidiary which specialises in the scrapping of cars.

## Expensive

Although this is an integrated industry and one where the big boys feel they have the responsibility to look after the smaller fry because that is the only way they can make the system continue to work properly, there has been a tendency for the larger companies to get larger.

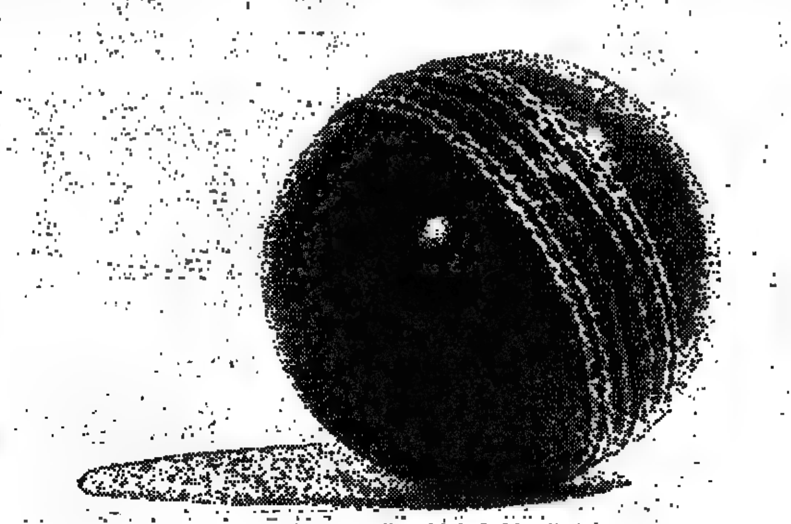
This is because what used to *be a labour-intensive industry*—and, indeed, remains so in many of its operations—has in recent years tended to become more capital intensive. This is particularly so because of the need to have expensive processing equipment. Not long ago a scrap yard might have had a crane and small shears but the main work was done by men with crowbars, hammers, burners and other tools. Now yards have huge hydraulic guillotine shears, special fragmenting plant, car crushers and so on. The best yards are being roofed over to give factory-like conditions with flow-line techniques.

All this, and the fact that some scrap processing machines cost well over £1m. each, shows just how sophisticated the business has become. And, to support all this capital equipment, the throughput must be kept as high as possible and turnover increased.

The scenario is one which in other industries tends to lead to mergers, in the U.K. a perfectly natural way for companies to gain "instant bigness." However, the ferrous scrap industry seems to be trying a different approach. Only a couple of months ago 12 medium-sized companies formed themselves into a consortium, which they have called Unicorn, to trade in ferrous scrap.

The rest of the industry is now watching carefully to see how well the idea succeeds. Given the difficult trading conditions at the moment, success will have to be worked for. But if the Unicorn scheme works, then we can expect other consortia springing up to follow its lead.

**Kenneth Gooding**



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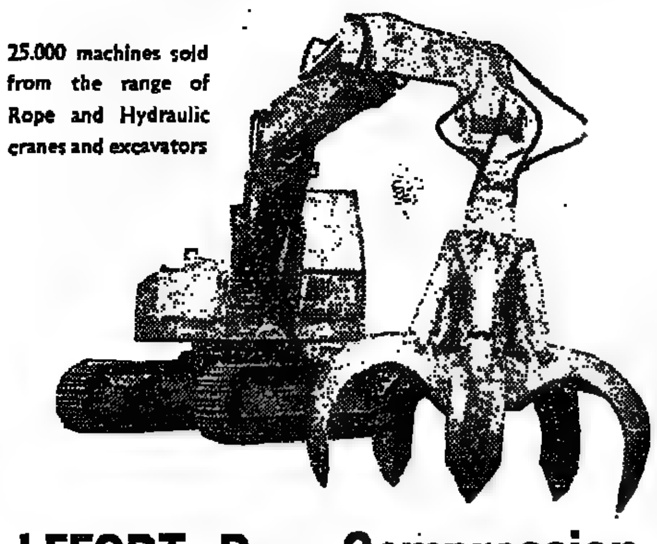

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# Developing new techniques

THE STEPTOE image of the ferrous scrap industry does have a certain amount of truth to it—the "totter" or street-to-street collector is the man at the base of the £300m. plus a year business—but the merchants at the top of the tree are very different from the public picture. Not least is this shown in the amount of sophisticated equipment their yards contain.

It was in the 1950s that what might be called the new era in scrap processing began, with the introduction of the hydraulic shearing and baling machines which marked a major step along the way of transforming the industry from a labour-intensive one to one that is capital intensive. Not long ago, a scrap yard might have had just a crane and some shears, with the main work done by men with crowbars, hammers, burners and other tools. To-day, there are huge hydraulic guillotine shears, special fragmenting plant, car crushers and so on. A single machine can cost over £1m.

This sort of equipment is now the norm at a large processor's yard. To take just one example, the George Cohen scrap processing depot in West London has a work force of 67 against the 200 or more it would have needed not so long ago. It is served by six overhead cranes, plus another one in each of two heated warehouses, and four mobile cranes. A new Harris baler produces high-density bales of light steel scrap at the rate of some 14 tons an hour, while two hydraulic shears—of 500 tons and 350 tons shearing capacity respectively, operated by a three-man team—slice their way through six tons of scrap an hour.

## Shears

Shears such as these are not only fast—14 manually-fed shears of the type normal a decade ago, manned by 20 men, would have been needed to equal the Cohen pair's output—but they produce clean, heavy density scrap of a type impossible to obtain from a hand-fed machine which does not compress the metal before shearing.

It is not only on the shearing and baling side that considerable innovations have been made. Among the most important developments elsewhere has been the development of fragmentising equipment able to cope with the increasing quantities of ferrous scrap contaminated by other materials. Enamelled washing machines and other consumer durables, water heaters, baths and so on are made of high-grade steel but have been of relatively little value for steelmaking because of their high impurity content—the non-ferrous metals, paint, enamel, wood, glass or plastic they contain. Old cars are among other items which have presented major difficulties.

It was in the middle of the last decade that specialised scrap fragmentation systems able to deal with this material were developed. Perhaps among the best known is the Proler system perfected by the Proler Steel Corporation of Texas which, in a continuous and rapid fully automatic operation, shreds the scrap item into small pieces and uses a magnet to lift out the ferrous materials while the remainder is collected separately for further sorting.

## Complex

The ferrous process is then completed in a condensing mill where the steel is reduced to fist-sized pieces and carried to a hopper for discharge in pre-set tonnages to the conveyances waiting underneath. The whole thing sounds complex, and it is. But it is also extremely fast. An entire car can be reduced to its component materials in this way in just a matter of minutes. At the same time, the investment involved in such equipment is enormous; the largest fragmentiser in use in Britain, capable of processing 350,000 old cars a year, cost £1.5m. to instal.

Behind this rapid technological change within the industry lie, first, the steel manufacturers' demands for chemical purity, at economic cost, and developments within steelmaking itself which have increased the need for high density, easily handled material.

Second has been the growing outside awareness of the urgent need to improve recycling in every sphere and to reduce dependence on increasingly scarce, ever dearer, imported raw materials (though iron ore is one of the more plentiful of these). This rising realisation of the value of the reclamation industries was, perhaps, best exemplified in last autumn's Government Green Paper on reclamation policy. What it means in practice as far as ferrous metals are concerned is devising techniques to cope with metal that is easily available but presently unusable.

To a considerable extent, of course, the practical effect of these two disparate factors is much the same. Thus, it is the steel industry's need for purity which affects the recycling of the thousands of tons of galvanised metal which become available each year (and which produce lethal fumes if used in their original form) and of metals containing such depth hardening elements as molybendum and chromium (which can be highly dangerous and, in the maleable iron field, fatal). But it is the need to conserve raw materials, to avoid shortages of steel feedstock (hardly applicable now but a real problem a year ago and likely soon to be one again), and to look to environmental considerations which has prompted the research into ways of making these things cheaply usable.

Certainly, the pace of technological change in the industry is continuing to be rapid, with the Government helping to sponsor research programmes and the steel and scrap industries themselves putting in a great deal of work on the development of new techniques of scrap utilisation.

Among the more important of recent moves are, on the light scrap side, the reconstitution processes which have recently been developed. These involve the conversion of light scrap, such as press trimmings, back to usable products by heating them to fusing temperature so that they can then be worked mechanically to a finished product. Cut out are the melting and casting operations of the conventional steelmaking route, with obvious savings in cost.

On the heavy scrap side, things are much more straightforward since all that, basically, has to be done is to cut the material up into manageable pieces. Here the main problem is one of thickness; there is a limit—though it is being extended all the time—to the guage of material that shears can cut through. One solution is thermal cutting, and plasma torches are among developments being evaluated in this connection. For cutting-up reject ingots one steelworks has built a special semi-automatic oxy-fuel cutting plant to overcome the hazards of using the explosives, which are, at the moment, the apparently ideal solution to the problem of cutting up rejected ingot moulds.

One major area where potentially valuable material is still largely having to be thrown away for lack of techniques to deal with it is household refuse, and especially tin cans. The Reclamation Green Paper pointed out that the major "leakage" of steel from the reclamation cycle was in waste collected by local authorities, and went on to estimate that, of the 20m. tonnes of household and trade waste collected each year, 1m. tonnes was ferrous.

Very much the larger part of this was in the form of metal containers, mostly tin cans. For almost all of the 750,000 tonnes of tin cans whose contents are consumed in the U.K. each year are thrown away as domestic refuse.

The problem over re-using tin cans lies with their contamination by other materials—lead, copper, aluminium, lacquer, organic waste and tin, all of which cause problems in steelmaking (though not in foundries where tin cans are an acceptable feedstock). Certain solutions to the problem are obvious, if not necessarily technically easy or practical. Thus, metal containers can be made without a soldered side seam, without tin, of other materials such as aluminium, or with a reduction in the number of different metals used. But none of these can be seen as anything other than very long term.

Meanwhile, the Government is sponsoring research into the problems of de-tinning and other difficulties in tin can recovery at the Warren Springs Laboratory at Stevenage (Herts), while BSC is looking at ways of using them. Other organisations are planning recovery plants.

## Treatment

Only last month, major moves in this direction were announced by BSC, Metal Box and the scrap treatment plant company, Batchelor Robinson. The three have collaborated on a scheme to exploit techniques developed by BSC and Batchelor Robinson which make possible the recovery of scrap, especially tin cans, previously regarded as useless for steelmaking.

The plan is for a newly formed joint company, Material Recovery, to establish plants in various parts of the country for recycling steel waste. The first is to be at Newcastle-upon-Tyne, set up with the backing of Tyne and Wear County Council at a council refuse transfer station. When in operation, it should produce 6,000 tonnes of steel a year by using a BSC-perfected cleaning process to convert recovered tin cans and other waste into suitable tinplate scrap, which can then be separated into high-grade steel scrap and refined ingot tin by a process developed by Batchelor-Robinson.

Apart from its importance in its own right, the scheme shows, just as the fragmentiser developments of a decade ago did, how inextricably the increasing of the volume of ferrous scrap available to steelworks, ironfounders and so on is bound up with the recovery of waste materials of all sorts. This is where the emphasis really ought to be in the future, with a more integrated approach to waste recovery of all kinds rather than a material-by-material approach in which so much is lost.

**David Walker**

# Shortages

CONTINUED FROM PREVIOUS PAGE

In Japan, prices had slumped as demand collapsed.

It was last month that BSC's fourth price cut within 11 weeks was announced, pushing the value of best quality grades down from the £35 a tonne at the end of 1974 to £24, with some lower grades fetching only about £10 a tonne, or 43 per cent. less than at the start of the year. This came a few days after controls on the export of scrap to countries outside the EEC were significantly relaxed, but led immediately to calls for a further easing of the rules.

Figures issued by the British Scrap Federation at the beginning of this month showed a reduction in the proportion of scrap used in steelmaking in the January to March period this year (for one cause of last year's high level was blast furnace difficulties, which meant the amount of pig iron used had to be cut back), a big increase in exports—running at an annual rate of 500,000 tonnes compared with the actual 311,000 tonnes notched up in 1974, when controls were so much tighter—and a large rise in the level of scrap stocks held at the steelworks. These were up to 1.32m. tonnes at the end of March against 1.19m. three months before, and only 690,500 tonnes at the end of March, 1974, with BSC, as a matter of policy, buying more material than it could consume—though buying less than before in absolute terms—to build up a strategic stockpile and to attempt to maintain a reasonable market for the merchants.

Nonetheless, even now it would be wrong to suggest a picture of unalloyed gloom on the demand front. The Welsh situation may be acute, but in the North East there is still some tightness of supply. In the private sector of the steel industry (for which scrap is the only raw material apart from basic billets bought from BSC), again the picture is somewhat mixed. Some mills are buying virtually nothing; others have even reported shortages.

The only thing that has really prevented the U.K. market from having become thoroughly depressed is the removal of EEC export controls. For demand in some parts of the Continent, notably Italy, has picked up somewhat, which in turn has encouraged trade in the rest of the EEC where prices are generally much better than those prevailing in Britain. In Spain, too, the market has been relatively active, though Britain's export quotas—lower than those of most of the other EEC countries — have inhibited the U.K. industry's ability to take advantage of this.

## Revival

In the short term, it is difficult to see much alleviation of the situation. There is some evidence of the West German steel industry's seeing a little demand revival, but the general forecast for Europe's steel industries, at least, is that scant improvement will come before the end of the year. And that means that 1975 will be a very difficult 12 months for the U.K. scrap merchants.

On a longer term basis, however, the prognosis is that scrap will basically be a material in short supply. This, at any rate, was the recent verdict of the European Commission following a review of some planned mini-mill (small scale steelworks using the electric arc process of steelmaking and fed, at the moment, entirely by scrap) developments throughout the EEC, including Britain.

The mini-mill has become an increasingly important feature of the European steel scene in recent years, and no fewer than five plans for new plants or extra capacity at old ones in four countries (plus a sixth scheme for electric arc installations to replace two open hearths at an Italsider works) were examined by the Commission.

The probability of a longer term demand rise is not just confined to Europe. For one of the first priorities of developing countries as they move into incipient industrialisation is, generally, to instal their own steelmaking capacity. And much the easiest way to do this is by utilising the electric arc furnace method of production. But these are countries which have not got a large reservoir of scrap waiting to be collected. Instead they have been turning, and will increasingly have to turn, to the industrialised countries to supply this raw material.

At the same time, however, scrap is beginning to have a rival as the feedstock for electric arc steelworks. The alternative is directly reduced pelletised iron ore, which, in the U.K., a consortium of private sector steel companies is planning to produce in conjunction, they hope, with the British Steel Corporation. The aim is a £35m. to £45m. (at current prices) plant with an output of 800,000 to 1.2m. tonnes a year serving four or five private mini-mills and a similar number of BSC plants. The feedstock mix for these mills, it is envisaged, would be 25 per cent. iron ore pellets and 75 per cent. scrap.

None the less, assuming the scheme comes to fruition, it is unlikely to affect the scrap industry adversely. The number of new mini-mills being planned, assuming steel demand does pick up again, is sufficient to ensure them a good long-term demand level. Meanwhile, there is a tough year ahead.

**David Walker**


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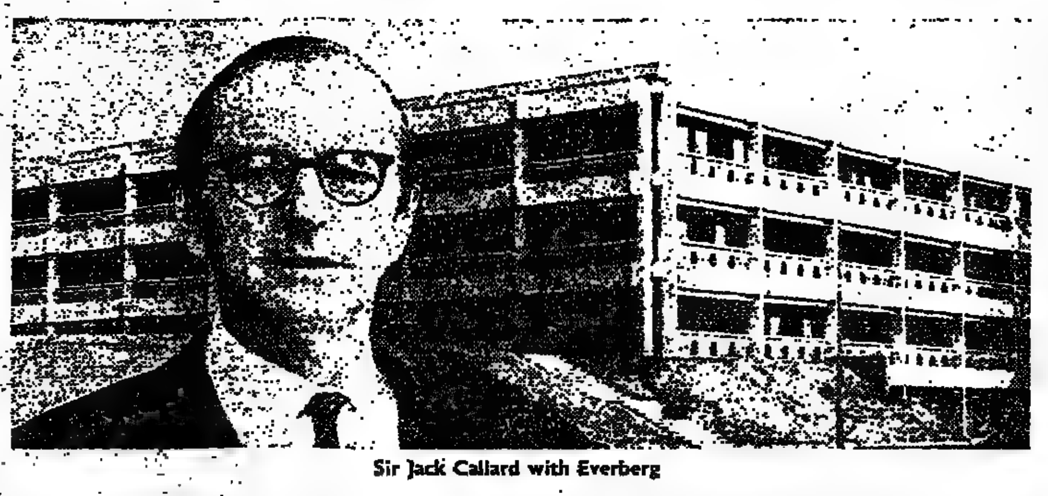
## The Executive's World

# The house that Jack built

BY RAY DAFTER



Sir Jack Callard with Everberg

ICI EUROPA'S modern headquarters block, which nestles comfortably in the sylvan setting of Everberg, Belgium, might be regarded as the house that Jack built. Sir Jack Callard, who has just retired as chairman of the chemical group, was certainly responsible for its foundation.

For it was Sir Jack, as a chairman of the ICI Europa division, who forcibly insisted that the subsidiary's head office should be transferred from London to Belgium. As he said at the time, he wanted to make sure that Europe "did not seem sort of spare-time to Britain."

The latest set of ICI results testifies to the wisdom of such an approach. Total sales on the Continent, including exports from the U.K., were £565m. last year, some 55 per cent. up on 1973 and in sharp contrast to the turnover of £38m. or so in 1960, when the company's drive into Europe started in earnest. Continental sales last year accounted for almost one-fifth of ICI's worldwide turnover as against 11 per cent. in 1964.

Although rewarding, the task of building up a large Continental presence has not been an easy one. Mr. Robert Malpas, immediate past chairman of the Europa Division and now a main Board director, has likened the experience to a "cultural revolution." Traditionally, ICI's overseas interests had been centred on the British Empire. Until a decade ago it had little trading experience on the Continent although it is one of the world's most important chemical markets, where chemical manufacturing is the largest industry after engineering.

## Pivot

Back in 1960 ICI had virtually no factories on the Continent. Instead, it had about 300 selling agents. These have now been replaced by national companies in 15 countries which manufacture on their own behalf as well as provide a marketing and servicing vehicle for ICI's general product range.

Everberg is the pivot of these Continental operations. ICI Europa acts as a federal organisation, directly managing and co-ordinating the national companies and the investments in each country. It is a system which presents difficulties familiar to many large international groups.

The who-does-what procedure, for instance, is set down in a well-thumbed manual; ICI refers to it as its matrix system. The potential problems which occur with line and functional management are complicated when territorial jurisdiction is added. "Who should manage whom?" and "Where should the plant be built?" are questions which must invariably arise in such a structure.

Mr. Malpas feels the solution lies in trust between various sections of ICI. He pointed out that Plastics Divison in the U.K. and Europa had a number of partnership agreements. After all the people at "Plastics" were responsible for plastics in Western Europe, while Europa was responsible for the Continent where ICI plastics were sold and, in part, made. "The greater the trust, the less the need for the rulebook."

For Mr. Norman Mims, the new chairman of the Europa Division, it is a new environment. As chairman of the Fibres Division he was working with a defined product base where has was responsible for its management and development.

In Europe, he said, he saw himself as responsible for the markets in the geographical area of the Continent "and for utilising, with my colleagues in other divisions, all the resources of ICI to make the most of opportunities for any type of product in these markets."

He accepted there would be opportunities for further modifications to Europa's structure, although it aimed to expand in a way which would avoid "disruptive rationalisation" at a later date.

One of his jobs, as he sees it, is to promote further the name of ICI on the Continent, particularly with business circles. "Although we are making good progress, I expect it will take some time for the general European public to get to know ICI as closely as the British public does." Here ICI might take a leaf out of the book of the three major German chemical companies, BASF, Hoechst and Bayer, whose overseas publicity efforts are noticeably more positive than those of their U.K. counterpart.

The group also feels it is important to build its physical *presence in Europe. Through* wholly-owned subsidiaries ICI already has 15 important chemical manufacturing sites, with substantial factories in Holland, Germany and France. In addition it has approaching 40 other subsidiaries and associated companies, quite apart from the national ICI companies. This year the group plans to sanction some £60m. worth of investment on the Continent, and it is likely that future spending will be concentrated in Germany, France, Benelux and the Iberian peninsula.

Investment is not only important for its own sake, as a new source of product, it has an image-building spin-off. It shows that a company is willing to become part of the local scene, to become a committed supplier. This was important for ICI because it wanted to get away from the image—however mistaken or justified—of supplying the Continent only when there was spare capacity in the U.K. Ironically, when ICI's worldwide business was booming in 1973 and part of 1974 it was U.K. customers who were screaming that they could not obtain sufficient supplies because of the amount being exported to the Continent.

Although ICI, as with o'her U.K. material supliers, maintained that it was fulfilling its domestic commitments, there can be little doubt that with price-controls at home it has been finding the Continent a more attractive market.

So ICI's European marketing force of 1,800 people in 15 countries, has been doing its stuff. Nearly half of ICI's exports—£314m. out of £636m. —went to the Continent, last year, a 56 per cent. improvement on 1973. Exports to the EEC countries increased by 82 per cent. to £201m. which may indicate in part why ICI is so fervently in favour of Britain remaining an EEC member.

Mr. Mims pointed out 'hat while ICI Europa was established in the years of non-membership, it has been in the more recent years of Britain's membership, that the group's expansion programme has borne real fruit.

Not that there is any room for complacency. The annual reports of the giant Continental chemical companies indicate that in the short-term the European chemical industry must face continuing depressed demand. This will inevitably influence ICI's performance. In the longer term ICI has the task of building its share of European chemical sales. Even the £565m. turnover last year represented about only 1 per cent. of the Continental EEC market. That leaves a very big step for Europa to achieve a 2 per cent. stake—the division's next target.

# Union slide rule on farm supplies

WORLD-WIDE DEMAND for agricultural equipment is expected to remain high throughout 1975 and beyond. There should also be an upturn in construction activity in the U.S. market, resulting from the Ford Administration's release of $2,000m. in impounded Federal highway construction funds. This implies a favourable year for such global leaders in the business as International Harvester, Caterpillar Tractor, John Deere and Co. Therefore, the trade unions representing workers employed by these concerns will be fully justified in pressing for pay and other concessions.

This is the gist of a document prepared by unions in the metal-working industry for a World Agricultural Implement Conference in Chicago from May 6-8 called by the International Metalworkers Federation, in co-operation with the United Automobile Workers and other U.S. trade union organisations. Delegates from Europe, Asia, Latin America, Africa, as well as from North America attended.

The main purpose of the Conference was to carry out a thorough, in-depth study of the three U.S.-based multinational firms, in a manner which is highly significant in view of the demand by the trade unions that managements should disclose to them more information, and especially, more financial information. The reason for wanting the information is perfectly clear; to use it to win concessions in collective bargaining.

The unions are already trying to make the most of what information they can lay their hands on, from company annual reports, security analysts' studies, and information collected on the spot by their far-flung memberships. In this respect, the report assembled by the IMF Social and Economic Research Department is quite an eye-opener. With a wealth of detail that would do credit to a City or Wall Street stock-broking firm, it surveys the performance and prospects of IH, Caterpillar and Deere in terms like the following:

"IH's returns on investment have improved considerably in recent years, after falling to moderate levels in the late 1960s and early 1970s. For 1974, its consolidated world-wide after tax profit represented a return of 9.7 per cent. on net worth (stockholders equity) as measured at the beginning of that business year. This represented the company's highest return since a 10.1 per cent. rate back in 1966."

On Caterpillar's 1975 prospects: "The company's 1974 annual report to shareholders predicted that there will be 'no significant decline in the physical volume of shipments' in 1975. This is important because it means that price increases that went into effect in stages in 1974 will be effective throughout 1975. Thus, 1975 dollar sales could be higher than 1974. And as the final quarter illustrated, this could result in significantly higher profits."

"It should be emphasised that Deere's method of valuing inventories grossly understates 1974 earnings and that a less conservative method would have resulted in a whopping profits increase for the year instead of the slight decline indicated by reported results." The statement goes on to criticise the LIFO method of valuation for understating profits, and therefore tax liabilities in periods of rising prices.

What, however, is most significant about the whole exercise is the attempt to forecast the future performances of the companies, as the basis for the formulation of trade union policy towards them. To take just a single sample, it is argued of Caterpillar that "the company could have increased the wages and benefits of all its employees by a full 25 per cent. in 1974 and still have shown a return on investment equal to the average rate of all U.S. manufacturing."

To make sure that they get the message, the third day of the Chicago Conference was spent in discussions with the three managements at the headquarters of the companies in Chicago and neighbouring communities.

NORRIS WILLATT

## BUSINESS PROBLEMS

BY OUR LEGAL STAFF

### Post cessation receipts

**I sold my dental practice in July, 1972, my accounts normally being made up to end April. I continued to receive monies until January, 1973. My accountant wants to take all receipts from April, 1971, onward into my final accounts, that is including monies earned between April and July, 1972, and received thereafter. Can I challenge this with the Inland Revenue?**

If your accounts were prepared year by year on an earnings basis (that is where fees due for an accounting period were taken into the practice accounts for that period), then the post-cessation receipts are properly allocable to the years in which they were earned.

### Tenants holding over

**I recently purchased six flats, which the vendor had always let on three-year leases, two of which expired on December 25, 1974. The regulated tenants are holding over. Can I insist on a new three-year lease? Do the Rent Acts prescribe some statutory length of term to override the old contractual term?**

The regulated tenants who hold over are not obliged to take a fresh contractual lease. They are bound by the covenants and other terms of the last contractual lease; and rents can be registered every three years, but they are entitled to remain as statutory, that is non-contractual, tenants.

### Right to terminate employment

**I signed a contract 2 years ago, in which I undertook with no time limit to sell an average of £10,000 a month of business in return for which I received no *salary, but commission* and other benefits. The company now wishes to raise the figure to £15,000. Could I be dismissed for not signing a new contract?**

We cannot advise you without knowing the full terms of your current contract with the company. It is unusual for a company to bind itself to employ anyone for an indefinite period without the right to terminate on notice, and a court would be slow to construe a contract of employment as having such an effect. However that may be what your company has in fact done.

### Changes of location of job

**Last July I obtained a job at £5,000 a year with a London firm, but in November was informed that the firm was moving to the North East, a fact which was known at the time I applied for the job, but was not disclosed to me. I do not wish to make this move. If I do not move I am told I shall only receive two weeks severance pay, even though my contract of employment states I am entitled to three months notice. Do you think I am entitled to damages for non-disclosure of material information? Should I not be entitled to three months money in lieu of notice? Is there any other payment to which I should be entitled?**

We doubt whether you could raise any effective claim for misrepresentation, both because of the difficulty of establishing a misrepresentation and because it is arguable that no damage ensude. Provided the company gives you three months notice, that is it does not require you to leaves your post sooner than three months from your decision not to go to the North-East it will not be liable to pay you any compensation, your period of employment being too short for redundancy pay. If you are required to leave at less than three months notice it will depend on your terms of employment whether you could be required to move to the North-East and thus yourself be in breach of contract for refusing whether you can recover salary in lieu of notice.

### Correction

The statement in Business Problems of May 14 that there is no need for a company to hold an AGM in every calendar year, was incorrect. The Companies Act 1948 says a company must hold a meeting each year and the Courts have held that this means each calendar year.

*

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*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# Computers should provoke financial decisions

SAYS TED JONES, DIRECTOR OF MARKETING, SPERRY UNIVAC UK

**Computer manufacturers say that the economic benefits of data processing are more relevant in these inflationary times than ever before. Financial writer Philip Francis finds out why.**

*Francis: The idea of computers provoking decisions is pretty provocative itself. What exactly do you mean?*

Jones: Simply that if you are a decision maker and you have all the relevant, repeat relevant, data literally in front of your eyes, you will reach a right decision fast. Computers properly used can provide all that data instantly, however complex it may be, and keep it updated minute by minute if necessary.

*Francis: In front of your eyes? How would that work in practice?*

Jones: These days decision making is getting ever more complex, but I'll try to give you a specific example. Take foreign exchange. With the fluctuations we've seen recently, timing is crucial. Yet it's immensely difficult to take into account the hundreds of factors that go into striking the right balance.

But if a manager walked into his office each morning and all the relevant data was confronting him on a visual display unit, he'd reach a right decision quickly. In fact he'd be provoked into it the moment he saw the whole picture.

*Francis: That's the third time you've said "relevant data". Do I take it that in the past computers have been used wastefully?*

Jones: I don't think I'd put it as strongly as that, but it's certainly true that most computers are not being used in a way that realises their full potential. Like the human brain, they're still under-utilised.

*Francis: Why is that?*

Jones: There are lots of reasons. Some installations have evolved on almost an ad hoc basis – putting in facilities for, say, production control, payroll, accounts payable, or whatever, without deriving the benefits that could accrue from integrating the separate sets of data into one composite picture.

But probably most important is that computers were not called upon to be selective in presenting information to management. They printed out the trivial along with the significant.

*Francis: So what are you doing about these problems?*

Jones: We have gone a long way towards solving them.

First, we have developed the type of equipment which makes for relatively simple integration of many only partially-related records or 'data bases' as they are sometimes called. But our main achievement has been in producing the software to enable this data to be accessed in such a way that only the relevant information is presented – and in a way that the executive not skilled in computers can understand. We call this 'Information Management'.

*Francis: So you think you have removed some of the mystique from computers?*

Jones: It's fast disappearing, though we'd love to give it the final kick. It all goes back, I suppose, to the natural reservation – even fear if you like – of machines taking over the human role. That's why so much data processing has been confined in the past to invoices and listings. Now, lots of people are now using computers to establish the criteria on which to base human decisions – and that's a big step forward in terms of trust between manager and machine. The next step will be the more widespread use of computers in future studies and forecasting – building business models and deciding financial strategies.

I do wish, though, that executives would devote specific time to keeping themselves abreast of the potential of the industry's technological breakthroughs. If only users knew what their computers could do for them they should be a great deal happier – and so would we.

*Francis: I must say you make the prospects sound really exciting. But let's get to the crux. If I were an MD, and felt that one of your machines could solve my problems, how on earth would I pay for it – particularly when my capital investment programme has been decimated, and all my colleagues are fighting for their own pet projects?*

Jones: That's where our family concept comes into its own. With the Sperry Univac Series 90, for example, you can start with a small system and gradually extend your computing resources as your needs expand. In this way, you can budget your expenditure accurately, and evenly, over a long period instead of laying out a large sum on the powerful machine you may eventually need – a machine which you might under-utilise for months or even years if you bought it prematurely.

*Francis: But that's still capital investment, so I still have my problem?*

Jones: Then if you prefer you can rent from us instead. With this range, any five-year rental contract is for a fixed sum, with a unique guarantee of no escalation clauses during the entire rental term. So you'll know your exact commitment for hardware irrespective of inflation and, incidentally, get a wide range of software too without extra charge.

*Francis: OK, I'm personally sold – but how can I evaluate the benefits you've described in quantifiable terms so that my co-directors, and shareholders, can see tangible results over the next five years?*

Jones: There are various ways of analysing cost-performance, but none of them are universally acceptable. If you want to quantify benefits to everyone's satisfaction, though, I suggest you treat your data processing department as an independent profit centre. Allow your d.p. manager to charge out his department's services at commercial rates, even if only internally. You'll find that this procedure not only gives you a true picture but acts as a powerful incentive for your d.p. manager to see that your installation is fully utilised.

*Francis: And what happens if in fact I decide that I cannot, for the foreseeable future, commit myself to expanding my computer facilities?*

Jones: The saying that there's no survival without innovation would, I'm afraid, come home to roost on your perch. Over the next five years you'd find increasingly that your managers were not equipped with the tools they needed. You might lose good managers in consequence, and would certainly fail to attract fresh talent.

Then of course, in relation to your competitors – and particularly in international terms – you'd be increasingly dependent on human judgement based on a chain of information which would itself be subject to the human fallibility element.

But your worst problem would be the slowness of your decisions – relative again to those of your competitors. Sluggish decisions make for lengthier than necessary projects, and that means greater expense. In short, as the pace of change accelerated, you'd find yourself left behind.

*Francis: Well, nobody wants to suffer that fate. Whom can I reach for further information?*

*Further details of Sperry Univac computer systems can be obtained from: The Publicity Department, Sperry Univac, Univac House, 160 Euston Road, London NW1 2DR. Telephone: 01-387 0911.*



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WEDNESDAY, MAY 21, 1975


# A low price—and no refund

"ALONG the wires the electric message came: he is no better, he is much the same" wrote a past *Poet Laureate*: and not even his death enabled him to live it down. There may be a temptation to poke similar fun at the National Institute of Economic and Social Research, which has employed a baffling armoury of economic analysis to prove what most detached observers already suspected: it is very hard to prove anything, one way or the other, about the economic effects of joining the EEC after the first two years of membership. All the same, it is a very different thing to suspect a thing and to know it, and this painstaking research provides an authoritative answer to some of the economic nonsense which has been heard.

### *Great importance*

*This in itself would be a* valuable service. but the study makes a further point of great importance: even where it *may be* suspected that joining the EEC has entailed some economic cost, this is not at all the same thing as saying that this cost could be recovered by getting out again. A large part of the cost of joining is the loss of preferential advantages which we used to enjoy in EFTA and the Comonwealth, where British exports were more favourably treated than those from other countries: It is highly unlikely that any of these countries would wish to resume a preferential arrangement with the U.K.: the EEC has far more to offer.

How much is the cost involved? The National Institute, which has always been sceptical about the supposed economic advantages of joining the EEC, concludes that the actual costs incurred are almost impossible to measure accurately. but are certainly less than the 1-2 per cent. of GNP which was generally agreed as the likely price before we joined. They conclude that the trade figures themselves—the ones which Mr. Shore and Mr. Benn like to quote—show no effect at all.

It is only an elaborate analysis, taking into account the movement of incomes, output and prices in the main trading countries of the world, that leads the National Institute to the conclusion that there probably has been some diversion of trade (apart from food) from outside to EEC markets, and also an accelerated growth of trade between Britain and the EEC. The diversion of trade generally involves a small resource cost, since it is due to preferential arrangements which enable high-cost suppliers to capture markets previously held by lower-cost competitors. On the other hand the creation of additional trade by the removal of barriers inside the EEC leads to increased specialisation and efficiency, and an economic gain. Without impossibly accurate measurements, the gains cannot be balanced against the losses. Perhaps the most important conclusion of this analysis is that whatever the economic costs, if any, there is no evidence at all that joining the EEC has made the balance of payments any worse than it would otherwise have been.

### *The conclusion*

The report incidentally throws up one intriguing possibility which would reduce any measurable effects still further. It notes that there has been a large rise, among other food imports, of shipments of coffee, cocoa and tea from the Netherlands. None of these things are grown in the EEC, and the figures simply represent the growing dominance of Rotterdam in entrepot trade: and there is no doubt a similar story to be unearthed for other bulk commodities.

The conclusion is clear: economic measurement has nothing positive to contribute to the EEC debate. but there is an important negative offering. The great issues are the political ones and the long-term potentialities of membership, on which statistical analysis can have nothing to say. What this rigorous search of the statistical cupboard does show is that there is no nasty surprise in store there which could invalidate the political case for membership. The cost has been small, and there is no refund available.

# The compromise on steel

THE MOST significant aspect of the agreement reached this week between the steel unions and the British Steel Corporation is that it was arrived at by the normal process of collective bargaining and without the intervention of the Secretary for Industry, Mr. Anthony Wedgwood Benn. The management had made it clear that, in the face of the most severe recession the industry had experienced since the war, urgent action had to be taken to reduce labour costs. How this should be done was clearly a matter for negotiation.

### *Alternative*

No doubt the quickest method would have been to declare 20,000 men redundant, as Sir Monty Finniston, chairman of the BSC, had suggested last month, but there was never much chance that such drastic measures would be acceptable to the unions. Alternative methods of reaching the same objective had to be sought.

The compromise that has emerged involves a mixture of voluntary redundancy, early retirement, restrictions on recruitment, cutting out overtime and other measures. While the package may not be totally satisfactory to the BSC management, it gives them at least part of what they had asked for when the negotiations began. It is probably wrong to regard the agreement as a defeat for Sir Monty Finniston —still less as a victory for Mr. Wedgwood Benn. The days when employers could lay off thousands of men in a recession and re-hire them in the upturn have gone; the motor industry, which had a notoriously bad record in this respect, is having to adopt much the same sort of measures as the BSC in coping with the present slump in demand.

The public argument between Sir Monty and Mr. Wedgwood Benn, however, was not just about the short-term consequences of the recession. It was also about the industry's long-term strategy, based on fewer plants and lower manning scales: Sir Monty had pointed out that by the 1980s, if the industry was to match Japanese standards of efficiency, it should be employing no more than 50,000 men, compared to 220,000 to-day. The broad outline of the strategy, involving the closure of uneconomic plants and the concentration of bulk steel output at five main works, was agreed after much delay by the Conservative Administration. But because the present Government was committed by its election manifesto to reviewing the closure programme, it is still uncertain how much of the strategy will be allowed to go ahead.

The modernisation of the steel industry does create some difficult social problems, especially in those areas, including parts of Scotland, where the steelworks is the major local employer. But there is no reason to suppose that these problems cannot be effectively tackled by consultation between management and unions. The role of the Government, apart from approving the strategy as a whole, should be to assist in providing alternative jobs for the displaced steelworkers. What it should not do is to get involved in the details of individual plant closures.

### *Management*

Mr. Wedgwood Benn said this week that he had no ambition to run the British Steel Corporation. In that case he should let Sir Monty Finniston and the unions get on with the job. The Minister has a passion for tripartite approaches to industrial problems, but the presence of Government as the third party usually makes these problems harder to solve. The Government must decide, once and for all, whether it wants an efficient steel industry. If it does, it must agree with the BSC on the appropriate strategy for achieving it, and let the management implement that strategy in consultation with the trade unions.

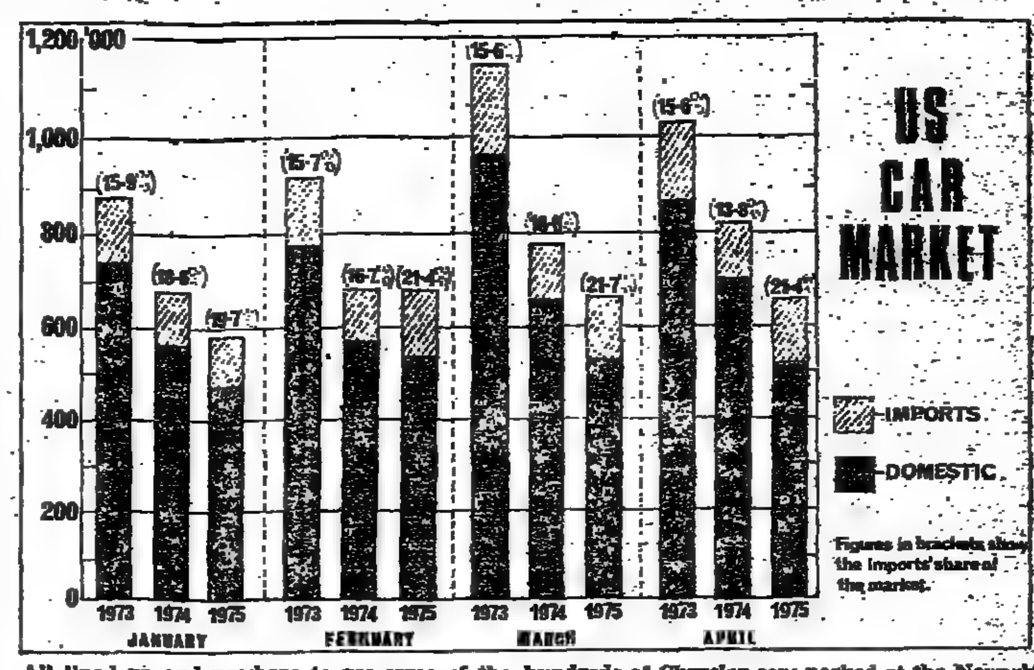
Guy de Jonquieres reports on falling American car sales—at a time when imported models are booming

# Detroit is ailing, and being nibbled to death by midgets

THE U.S. motor industry's hopes for a modest sales recovery during the second quarter of this year are now fading rapidly and may soon be abandoned. The new car buyers who had been expected to stream into the showrooms, armed with their $200 Federal tax rebate cheques, have so far failed to appear and sales have remained in a deep trough.

In April, Detroit sold about 518,000 cars in the U.S., 26 per cent. less than in the same month last year when the public was still reeling from the impact of sharply increased petrol prices. During the final 10 days of last month sales dropped by 32 per cent. compared with the same period of 1974, with a 20 per cent. fall coming in the first 10 days of May. In those first 10 days of this month, furthermore, sales were only 75 per cent. of the level of the 10 preceding days.

To make matters worse, imported cars have been enjoying what can only be called a boom. In each of the past three months foreign cars have sold better than during the same month in 1974 and have captured more than 21 per cent. of the market—among the biggest shares ever achieved. As one uncomfortable Detroit executive put it: "It's like being nibbled to death by midgets."




All lined up and nowhere to go: some of the hundreds of Chrysler cars parked at the Newark Delaware, plant. The company's unsold stocks have soared to almost twice the level considered normal for this time of year.

## Three main hopes

Detroit's hopes for a market recovery had rested on three main calculations: that late spring and early summer are traditionally good selling seasons; that a steadily improving U.S. economy, declining inflation rates and the stimulus from recently enacted tax rebates totalling $20bn. would revive consumer demand; and that ample supplies of petrol at prices lower than a year ago would relieve fears about shortages.

In anticipation, most motor companies had added modestly to their production schedules, re-hiring workers and stepping up operating shifts. Their targets could hardly be termed ambitious, calling at their peak for second quarter output of about 1.9m. cars, or 9 per cent. less than in the same period of last year. For the year as a whole, the consensus forecast until recently envisaged total sales (including imports) of just under 8.5m. units. That was about 400,000 less than last year and about level with the 8.4m. sold in the recessionary year of 1970.

Yet even these cautious plans now look decidedly optimistic. Efforts to excite buyer interest through dealer sales contests at General Motors and Ford and through the reintroduction of last February's price rebating at Chrysler have not borne fruit. In Detroit the talk is turning to retrenchment. Indeed, both Ford and Chrysler have already cut back their second quarter planned output and Ford proposes to close most of its U.S. plants for two weeks in June, instead of staggering plant closures as previously.

This week, Mr. Henry Ford broke with the outwardly confident tone that Detroit has tried to maintain for the past few months. He said that he had "written off" the 1975 model year, which runs until next autumn, and indicated that he doubts whether there will be any significant upturn even in the final quarter. Mr. Ford also revised downwards his full-year sales forecast to between 8m. and 8.3m. units from an earlier prediction of 8.4m.

General Motors, which has consistently issued the most bullish forecasts, so far has not significantly altered its production plans, although recently it has been less forthcoming about the outlook for the industry. But unless conditions improve materially—and soon—it will almost certainly be forced to draw in its horns.

Chrysler is already reported to be studying a contingency plan to close four of its six U.S. assembly plants for up to six weeks at a time this summer—a scheme almost as drastic as its mass closures last winter. The company has denied that such steps are being planned, but similar denials also preceded the announcement of Chrysler's almost total shutdown last November.

The disappointing performance of the car market is causing concern well beyond Detroit. Together with housing, the motor industry had been expected to lead the U.S. economy out of the recession and fuel the anticipated recovery in the third and fourth quarters of this year. With both sectors still extremely weak there is now increasing doubt about the timing and speed of the expected economic upturn.

A continuation of the present dismal sales trend could be of critical importance to the industry itself and most of all to Chrysler. In recent months its sales have suffered the worst of all Detroit's "big three"—they were off 43 per cent. in April—and its share of a shrinking market has sunk to less than 10 per cent. from almost 14 per cent. a year or so ago. Despite its reintroduction of price rebating—a costly way to sell cars—Chrysler's unsold stocks have soared to almost twice the level considered normal for this time of year.

On the international side, the crisis at Chrysler's British subsidiary is obviously exceptionally severe. But other overseas operations have been having their problems, too, and the company is trying to restore profitability through rigorous cost-cutting in all its operations. But, notwithstanding the confidence of the striking engine workers at the Coventry plant that the company can meet their wage demands, Chrysler's ability to survive continued economic buffeting is being sharply questioned on Wall Street.

GM and Ford are considerably better placed in terms of financial resources and market penetration, but they have no grounds for complacency. Despite their huge and costly efforts to adjust to shifts in demand after the Arab oil embargo in 1973, the new car market has failed repeatedly to live up to their expectations in the past 18 months. The only formula that has had any real success has been the classic one of lowering prices, which stimulated a short-lived revival in sales in February. There could be a similar sales "buffle" later this summer if expectations of higher prices on 1976 models cause a surge of anticipating car purchases. This happened last year, but was followed by a steep decline in sales soon after the new model year began.

Probably the most perplexing aspect of the industry's current situation is the remarkable strength of imported car sales. Ironically, the fall in sales of Detroit's smallest "sub-compact" models has been unusually sharp in recent weeks and most foreign exporters except for those in Britain, Italy and Japan have suffered a competitive disadvantage from the weakness of the dollar.

The conventional wisdom, backed up by Detroit's own market research, is that the popularity of imported cars is due to their generally superior fuel economy. Though petrol is currently freely available and costs between 50 and 60 cents per gallon in most parts of the U.S., the events of the past 18 months have left many American consumers deeply uncertain about the future. Congress is debating a number of tax proposals that would lead to a price increase, and there are numerous signs that the Middle East oil producers are contemplating a rise in the price of their crude oil later this year.

## Relatively expensive

The U.S. motor companies argue that foreign cars have been helped by importers' ability to sell lower priced 1974 models out of stock, sometimes with special price discounts. Yet many of the most popular models are relatively expensive: Volkswagen's Golf (sold in the U.S. as the Rabbit) has continued to sell well despite a price increase to $3,800, some $800 more than Ford's Pinto sub-compact. In April, Volvo's sales rose by more than 50 per cent., despite a price increase averaging 6 per cent. which raised the price of its cheapest model to about $6,000.

This is a substantial premium to pay for a few extra miles per gallon—substantial enough to suggest that fuel economy is not the sole reason for the success of imported cars. Indeed, it seems reasonable to assume that someone who pays over the odds to purchase a new car—especially during a deep recession—would expect it to last a fairly long time. Longer, probably, than the U.S.-made car which Detroit is constantly exhorting would-be customers to trade in for a newer and shinier model.

A tour of any large used car lot in the U.S. would indicate that many cars are, in fact, traded in long before they reach the point of decrepitude, and this observation is supported by the sharp drop in the value of new cars immediately after purchase when the U.S. economy is prospering. Perhaps significantly, durability is a recurring theme in American advertising for a number of foreign cars, notably Volkswagen, Volvo and Mercedes-Benz.

## Counting the cost

It would be foolish to pretend that the motor car is declining in importance as the supreme means of transporation in the U.S. but the lack of any alternatives will ensure it a central position in American life for many years to come. It may well be, however, that the American public, or a significant portion of it, has reached a decision to buy new cars less often and is tending to count the cost of car ownership more carefully.

Such a decision, whether taken consciously or not, would be consistent with the broader picture of slower long-term growth—possibly even industrial stagnation—which an increasing number of economists and business leaders are now painting for the U.S. economy for the years to come. The U.S. history of exceptional and sustained growth since the war has been inextricably intertwined with the growth of the motor industry: if one falls off, so indeed may the other.

It is difficult to support such a thesis with facts and statistics that are above dispute, and particularly during a recession. When all economic indicators are performing poorly, it would undoubtedly find little welcome in Detroit where senior executives of General Motors have been talking quite recently of total car sales of as much as 18m. units a year before the end of 1985.

Yet some recent actions by major American motor companies suggest that their managements detect more than a temporary shift in the prevailing economic winds. Chrysler's chairman, Mr. Lynn Townsend, has said that the company is aiming to cut overheads to the point where it could be profitable in a total market of only 8m. sales a year. Ford has reduced its "breakeven point" to about 8.1m. units.

Whether the American motor industry is now undergoing a major structural change may not become fully clear for some months. But if it is, there can be little doubt that the process of adjustment will entail upheavals that are equally dramatic to those it has undergone during the past 18 months

# MEN AND MATTERS

## Bolton's Budget surplus

Envy will not get any of us very far, but who can resist a twinge or two of it when contemplating the Isle of Man budget speech delivered yesterday: unveiled were a healthy overall surplus, bigger tax allowances for lower income groups, reductions in property rates, plus a report of "good" prospects for the island's economy.

How the City would like to hear another Chancellor in another place pick out the financial sector as an important contributor to the economy. And where is the English householder who could believe the announcement of the first cut in the rate demand related to education, thanks to extra Government spending?

The Manx surplus was £2.6m., income tax receipts (the basic rate stays at 21.25 per cent. for the 14th successive year) amounting to £10.5m., more than twice the 1972-73 figure. With control over direct taxation—with the exception, much to the islanders' chagrin, of the new capital transfer tax—but not indirect tax, the Isle of Man shares with the rest of the U.K. a "common purse" for VAT and excise duties. The take is based on a formula related to the population figure, and yielded £11.15m. Denis Healey's own pronouncements in April will add another £1m.

There is no capital gains tax or death duties on the island, but to curb undesirable property activities, the Government introduced a land speculation tax and this has brought in £50,000 in its first year. The issue of coins and notes (the island replaces withdrawn British notes, the value of which is then put usefully on deposit) yielded some £500,000, and Manx stamps £300,000.

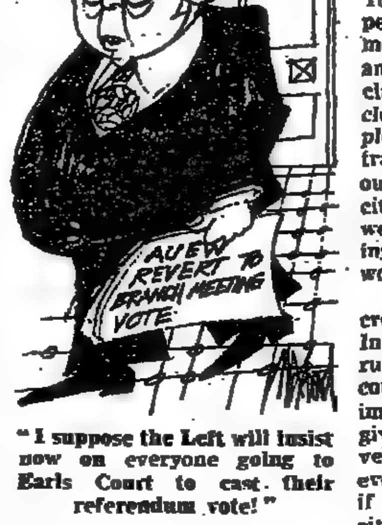
The 24 MPs of the Tynwald heard the good news from John Bolton, a 73-year-old local accountant who heads the Exchequer as chairman of the Manx Government Finance Board. Fittingly, he talked of being "particularly attentive" to the British Government's efforts to control inflation, and though sounding distinctly bullish about the future, had to warn that failure in London to master the situation would lead to cuts in Manx Government spending. One other aspect of the Manx situation some of us might favour is that of continuity: Bolton has been presenting Budgets for nine years now, and is due to do one more.

## The last Courage

The Beerage was further thinned yesterday with the retirement, slightly earlier than the company's usual practice, of Courage chairman Richard Courage. That breaks a line going back to John Courage who founded the business in 1787 when he bought a brewery on the South bank of the Thames.

The last family chairman was, for most of the time since he took the top job in 1959, a bit overshadowed by the formidable industry reputation of his managing director Hereward Swallow. But the combination certainly worked well, it taking only 17 years from the takeover of Barclay Perkins to move Courage from a South London brewery to the fifth biggest in the country and, in 1972, a suitable case for Imperial Group's diversion treatment.

Following the £280m. agreed bid, the treatment has, in managerial terms, been delicate. Though it has made several changes, Imps has left the top jobs to brewers and the new Courage chairman, Oliver Steel, has been with the company since 1946. The last link in the family chain could also be interesting, for Richard Courage's brother-in-law, Ben Watson, has moved over to the central administration of the Imperial Group and is thought of as a possible for the top job there one day. But Guinness and Vaux are now the only big brewers left under family management.




"I suppose the Left will insist now on everyone going to Earls Court to cast their referendum vote!"

## Wonderful town

Every New Yorker knows the apocryphal tale of the naive country bumpkin who is persuaded by a smooth-talking confidence trickster to part with $100 in exchange for the Brooklyn Bridge. Now that the city is sinking deeper into financial crisis by the day, the time may be ripe for the bumpkin's revenge. Even though the credit markets are refusing to accept any more of the city's paper, Central Park and the Metropolitan Museum should fetch a few million dollars, not to mention the lions at the Bronx Zoo.

It is in fact technically possible for a city to declare itself insolvent by invoking chapter nine, an obscure section of the U.S. Bankruptcy Act. The last time anyone can remember it being used was about five years ago when Saluda, a small town in North Carolina, found it could no longer pay its bills. Under court protection Saluda reorganised its debt and paid bondholders 41 cents in the dollar. It's said to be doing nicely again to-day.

But it is doubtful that New York could follow this course. To be effective, a bankruptcy petition requires approval by more than half of all creditors and at least two-thirds of each class of creditors, which includes unpaid municipal employees and independent contractors as well as holders of outstanding city securities. In a city where you have to wait a week to get a plumber, organising a vote among these people would be virtually impossible.

In most bankruptcy cases, creditors get first call on assets. In the case of a municipal bankruptcy, it is thought that the courts would recognise this as impracticable and would merely give them first claim on revenues. This right would, however, probably have to be waived if it seriously disrupted vital city services, which would leave creditors virtually empty-handed. So the dissolution of New York City may have to wait a while.

## Work prone

What has long been a sneaking feeling was finally confirmed by an opinion poll yesterday: the average German likes working. By asking the question, "Do you think that life would be better if you could receive the same income and not work?" the Wickert Institute of Tubingen found that almost three-quarters of its poll sample preferred the idea of labour to endless and prosperous leisure.

**Observer**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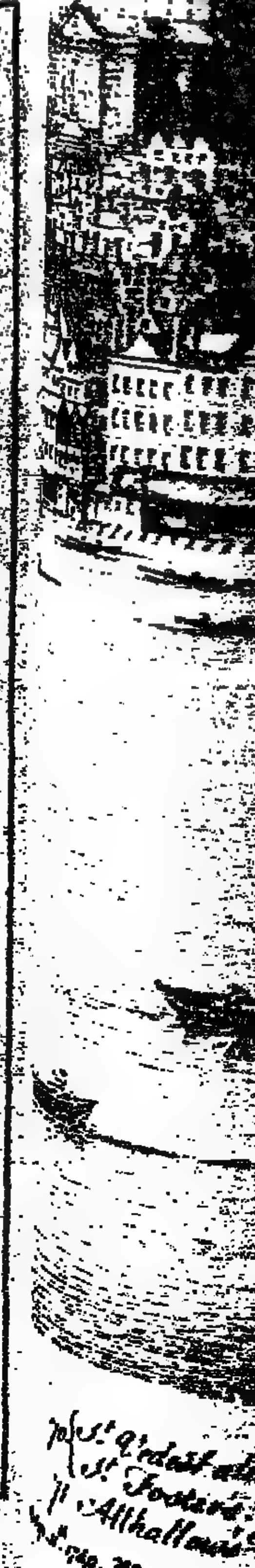

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# CHASE PUTS NEW YORK IN ITS PLACE-IN THE CITY.

Chase has always held an important place in the City. But times change and Chase is ready to change with them. Now, more than ever before, a different kind of presence is needed from a major world bank.

Chase recognised this need and implemented a major expansion in the capabilities of their City Division. Today's big City institutions and major national corporations demand all the services and facilities of a large world bank directly through a local office. And that is what Chase's City Division is about.

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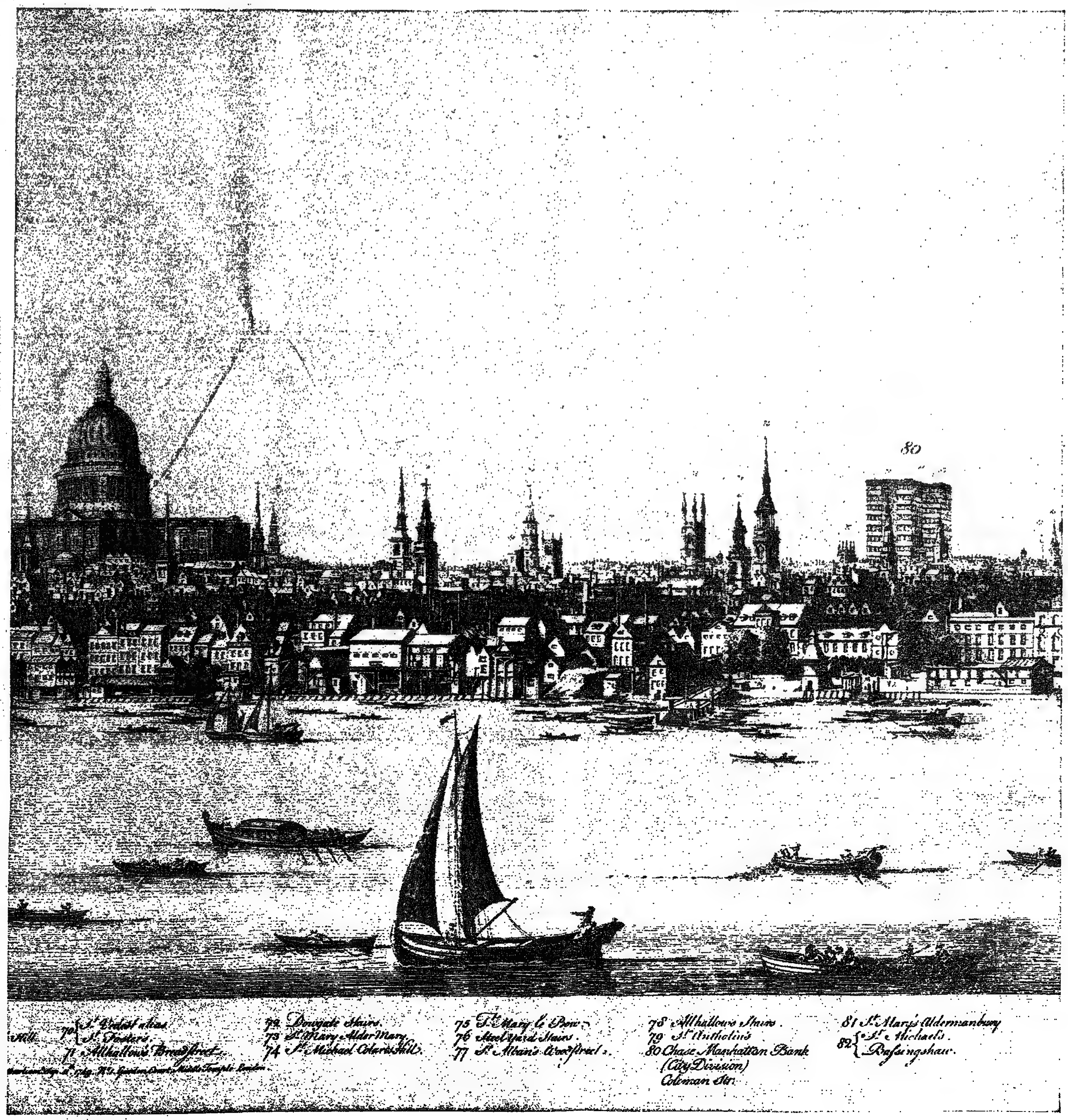
Secondly, many of the services and facilities that Chase used to be able to offer only through New York are now available through the London office. These services, when taken in conjunction with our position in the various international and domestic money and exchange markets, add up to a total banking service for the full range of financial institutions in the City of London.

The expansion of our City operations has established Chase firmly in the City–Europe's money centre. To Chase, that's just good business sense. It means better business for us. And better business for you. And that after all, is what good business relationships are about.

For more information contact Roger Griffin, Vice President. The Chase Manhattan Bank, Woolgate House, Coleman Street, London EC2P 2HD. Telephone: 01-600 6141.

**Chase. The relationship bank.**

CHASE



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BRITISH VIRGIN ISLANDS, U.S.S.R., VENEZUELA.

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If your company counts the world as its marketplace, the bank to count on is Chase. Chase provides such massive strength, global reach, and high-level banking expertise that many multinational corporations the world over rely on Chase as their primary financial intermediary wherever they do business.

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CHASE REPORTS:

# To supply the world with enough oil by 1985, the petroleum industry needs to spend over $220,000,000 a day.

Can the world afford to make this investment? Or, more importantly, can it afford not to make this investment?

What follows is a summary of a report just released by the Chase Energy Economics Group.

This Group was set up 40 years ago, to study the capital and exploration costs of developing petroleum reserves.

Its four decades of experience, including Chase's active financing of these capital investments worldwide, has given Chase a unique knowledge of the petroleum industry's financial needs.

Chase's experience, which is both multicountry and multicompany over a lengthy time-span, has also been sufficent to prove a consistent relationship between the financial input and the amount of petroleum found and developed.

Using this information, our Energy Economics Group has forecasted the costs of finding and developing enough petroleum to satisfy the world's projected requirements.

## In 15 years, the world's population will grow by one third.

In the 15-year period 1970-1985, the world's population will have grown from 3.7 to 5.0 billion people.

This fact alone, without allowing for rising consumption expectations in the existing population, makes growth in the energy supply essential.

## Oil as supplier of half the world's energy needs.

There are five sources of primary energy. They are oil, natural gas, coal, water and nuclear.

Oil currently supplies half the world's energy needs, reflecting the superior versatility of its liquid form.

During the 1955-1970 period, when demand grew at a 7.5% annual rate, the world consumed a total of 153 billion barrels of oil.

Chase believe that the growth in the use of oil will now fall by almost half, i.e. from an annual growth rate of 7.5% to about 4% for the period remaining to 1985.

Even if oil consumption fails to grow at all after 1973 (an assumption our projection rejects), consumption in the 1970-1985 period will still result in the use of twice as much oil as in the preceding 15 years.

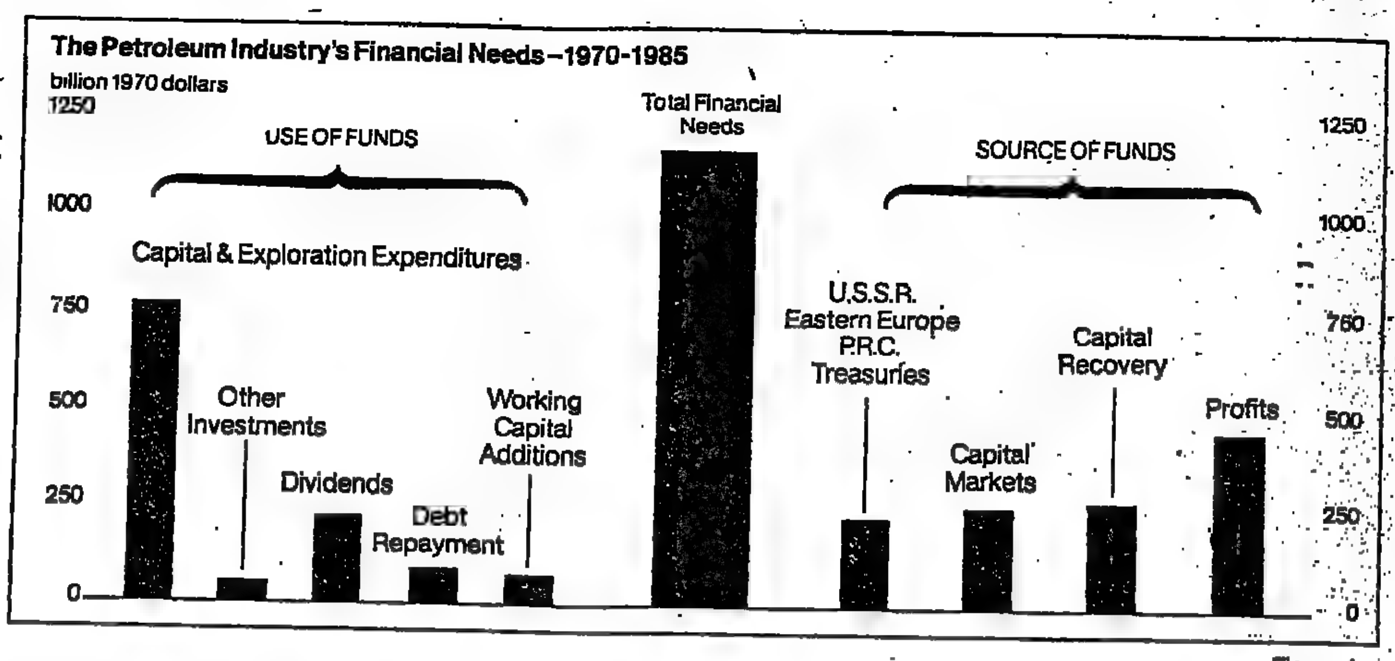


Figure 1.

## 67% of the oil reserves are in countries which consume 4% of the production.

Reported additions to proven reserves (oil that has actually been found and developed) have not kept adequate pace with demand growth. Nor are the reserves well located relative to market needs.

As much as 67% of the known reserves are concentrated in the Middle East and Africa, a region that presently constitutes only 4% of the worldwide consumption.

And fully two thirds of all proven reserves in existence in 1970 will be required to satisfy the world's indicated needs during the period 1970-1985 alone.

Obviously the situation demands maximum acceleration of the search of more oil, in a more evenly spread distribution worldwide.

Our minimum forecast is that if the petroleum industry is to satisfy present demand needs and also maintain adequate petroleum reserves, it must find and develop a total of 600 billion barrels of new oil between 1970 and 1985.

And this effort must go on until the economic costs of continuing the search exceed the costs of providing alternate sources of energy.

## $1.2 trillion needed by 1985.

To find 600 billion barrels of oil between 1970 and 1985, our studies indicate the petroleum industry will need to invest at least 400 billion dollars for capital and exploratory purposes.

In addition, investment of another 370 billion dollars will be required for refineries and other processing facilities, tankers, pipelines, the vast market distribution system, and the costly equipment needed to achieve and maintain environmental standards.

The industry will also require more than 400 billion dollars to pay shareholders for the use of funds, to repay debt, and, as the magnitude of its operations increases, to make the necessary additions to working capital.

The relative size of the industry's various financial needs is shown in Figure 1.

***Totalling 1.2 trillion dollars, they are more than treble the 375 billion dollars actually spent in the preceding fifteen years.***

Where will the money come from?

## 40% must come from profits.

How the petroleum industry will satisfy its needs for such an enormous sum of money is by no means simple. As indicated in Figure 1, part may be obtained from external sources, but the major portion must be generated internally.

The required financial needs for petroleum operations within the Soviet Union, Eastern Europe, and The People's Republic of China, amounting to approximately 225 billion dollars are likely to be supplied by their own treasuries.

In the Western world, the industry will seek to borrow as much as possible in the capital markets. But the relatively high degree of risk associated with the industry's activities will limit the amount that can be borrowed to a likely maximum of about 240 billion dollars.

Provisions for capital recovery, such as depreciation, depletion, and other write-offs constitute another source of funds. If these are not changed by governmental actions, they are expected to provide 260 billion dollars.

***The remaining 460 billion dollars (nearly 40 per cent of the industry's total financial needs) must be obtained from profits.***

## $60 billion earned. $785 billion still needed.

The various financial needs discussed above were measured in 1970 dollars, but it is not realistic to think in such terms.

As we have encountered no informed belief that world-wide inflation can be contained as low as 5 per cent, we think it prudent to measure the industry's financial needs in terms of at least a 10 per cent rate of inflation.

In this case, the industry's financial needs would be nearly doubled: the requirements for capital and exploration purposes would rise to more than 1.4 trillion dollars. Other essential needs will be increased to 760 billion dollars for a total requirement of 2.2 trillion dollars.

With a 10 per cent rate of inflation, the industry requires at least 845 billion dollars of profits between 1970 and 1985. In the first four years (or 27%) of that period the industry generated only 7 per cent, approximately 60 billion dollars, of the required amount. Figure 2 illustrates the huge additional amount that must be accumulated over the remaining eleven years.

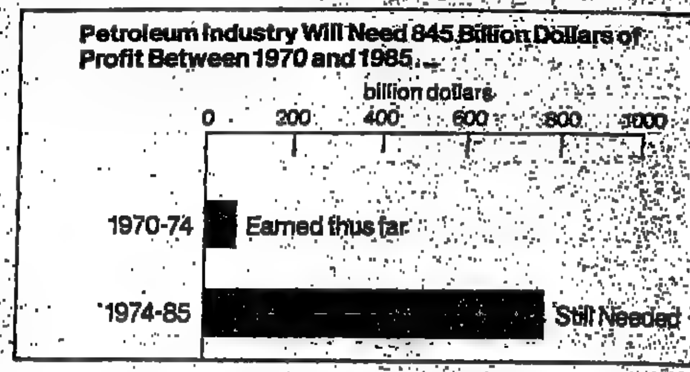


Figure 2.

There cannot be enough energy of any kind without adequate investment. And investment cannot be adequate without sufficient profits.

The potential for finding enough petroleum in the future is promising. But the realization of that potential requires much greater understanding of the problems than exists at present. And most of all requires more co-operation between everybody involved.

There are no financial shortcuts. All the costs must be paid.

**Capital formation must be government's business, businesses' business, labour's business, banking's business—everybody's business. Your business.**

This has been a summary of a report prepared by the Chase Energy Economics Group.

If you feel Chase's knowledge of the petroleum industry could have a useful bearing on your business, we'd welcome your contacting any of our specialist petroleum groups.

James A. Adamson, Manager, European Petroleum Co-ordination, The Chase Manhattan Bank N.A., 1 Mount Street, London, W1Y 6JJ.

William W. Higgins, New York.

Andrew J. Berry, III, Singapore.

Antoine P. Courbage, Beirut.

**Chase: The relationship bank.**

CHASE

Mr. John Boyd's election as AUEW general secretary is a victory, if temporary, for the Right wing, argue **John Elliott** and **John Wyles**

# Countering the Left with a Right

THE ELECTION of Mr. John Boyd as general secretary of the Amalgamated Union of Engineering Workers, the country's second largest union, is probably the biggest fillip the Right-wing of the trade union movement has had for many years. His victory, the result of a bitter and sharply political battle against an able Left-wing opponent, Mr. Bob Wright, comes when most new faces on the trade union national scene over the past five years or more have been well to the Left of their predecessors.

But the Right wing's jubilation at Mr. Boyd's election is tempered by the realisation that last week's decision to abandon the postal ballot in the AUEW's election of officials may signal the end of the moderates' re-emergence in the union.

## Old system

That decision, taken on the casting vote of the union's Left-wing president, Mr. Hugh Scanlon, when the disqualification of two delegates to the rules revision conference left delegates evenly divided, means a return to the old branch voting system which, until it was abandoned in 1970, was taking the union steadily towards the Left.

Whether moderates succeed or fail in their attempts to overturn that decision, the present controversy will leave the opposing factions within the AUEW—already among the most politically oriented of unions—at each other's throats.

As a result Mr. Hugh Scanlon, who only recently declared his intention of working "harmoniously," with whoever was elected as general secretary, is certain to face some formidable political battles whenever he has to work alongside Mr. Boyd.

The outstanding examples in recent years of the swing to the Left in the unions have been the elections of Mr. Lawrence Daly, a staunch Left-winger, as general secretary of the National Union of Mineworkers, and of Mr. Mick McGahey, a prominent Communist, as the NUM vice-president.

Elsewhere the shift has been less dramatic but has also been fairly consistent. At the TUC Mr. Len Murray is regarded as being to the Left of his predecessor, Lord Feather, while the same is true of the general secretaries of at least four individual major unions: Mr. David Basnett is more radical than Lord Cooper, his predecessor at the General and Municipal Workers; Mr. Geoffrey Drain is to the Left of Mr. Walter Anderson, whom he replaced at the National and Local Government Officers; Mr. Sidney Weighell of the Railwaymen is more aggressive than his elder statesman predecessor, Lord Greene; and Mr. Bill Sirs is now about to change the style of leadership at the Iron and Steel Trades where he is succeeding Sir David Davies.

## No splits

All these changes have come about without the men involved being given Communist or other political tags, and without any major political splits resulting from their elections. There may have been support from the Morning Star, the Communist daily newspaper, in the GMWU election three years ago for Mr. Basnett, whom it recommended as the "progressive candidate." But it would not be true to suggest that the men were elected with Communist support against the wishes of the moderates or Right wingers. Indeed, almost all of them command general support from Left and Right. Nevertheless there has been an increase in militancy in several of the unions since the new men took over—industrial action in the gas industry followed closely Mr. Basnett's arrival at the helm of the GMWU, council staff took action over London weighting almost as soon as Mr. Drain became general secretary of NALGO, and now Mr. Weighell and Mr. Sirs are making militant noises on behalf of their members on the railways and in steel.

The fact that these men are to the left of their predecessors does not, however, mean they automatically condone industrial action, nor on the other hand do they oppose it with the same fervour shown by the older style Right-wingers.

These new men are also not nearly so interested as their predecessors in making the creation of blind loyalty to the Labour Government and the fight against both Communism and other Left-wing political groupings one of their main jobs.

Leonard Burt

A moment of relaxation for Mr. John Boyd, the AUEW's new general secretary: neither his opponents nor his supporters have the slightest doubt that he will grasp all the power levers that he can.

## Contrast

It is in this way that they contrast strongly with Mr. Boyd who is of the old relatively Right-wing school, having sat on the union's national executive since 1953. He was brought up under the guidance of Lord Carron, the Right-winger who preceded Mr. Hugh Scanlon as the Engineers' president and whose main preoccupation often seemed to be to secure his union's 1m. bloc vote at the TUC and Labour Party conferences for the Labour Government or Labour Party platform line.

Mr. Boyd calls himself a "militant anti-Communist." Whenever he has stood in union elections he has had the support of the Right wing within his union, coupled with that of those who are committed to fighting the Left elsewhere. A tuba-playing Salvation Army bandsman, he is a former chairman of the Labour Party. He had been all but written-off in union circles after Mr. Scanlon defeated him in the fight to succeed Lord Carron as the president in 1967 and again in 1970.

But Mr. Boyd has great political stamina and re-emerged from the comparative obscurity of being the Scottish representative on the union's national executive council as a challenger for the general secretaryship after Mr. Jim Conway, the former AUEW general secretary, was killed in the Paris air disaster last year. Now he holds the second most important post in the AUEW alongside Mr. Scanlon, a man he has constantly opposed.

How much real power the new AEUW general secretary will have in his predominantly administrative job remains to be seen. His control of the union's monthly journal and the editorials he will write for it will be a major part of his power base as will be his presence at every conference of the union. And in the long term his control of the appointment of staff, supervision of the research department and constant contact with full-time officials throughout the country offer impressive opportunities for a man determined to use them. Neither Mr. Boyd's enemies nor his supporters are in the slightest doubt that he will grasp all the power levers that he can. And, while he disclaims any ambitions for still higher office, Mr. Boyd could use his new position as a platform if he chose to make a bid to succeed Mr. Scanlon as president in 1978; Mr. Boyd will then be 60.

## Term of office

There is some doubt, and there will be much argument over whether his initial term of office as general secretary is three or five years. If it turns out to be the former Mr. Boyd may have to choose between seeking re-election as general secretary or going for the presidency.

Mr. Boyd himself believes that he can do more than any of his post-war predecessors—Mr. Jim Conway, Mr. Cecil Hallett (who defeated Mr. Boyd for the general secretary's job in 1956) and Mr. Ben Gardner—to realise the full potentialities of the job. One of his first priorities is likely to be to improve the quality of AUEW head-office administration, which for years has been lacking on a number of fronts.

Mr. Boyd claims that the union's staff could be employed more effectively on servicing the membership and, in particular, in attacking the problem of membership arrears — an astonishing 25 per cent. of the 1.2m. members of the AUEW's engineering section are six months behind in payment of their subscriptions. Thus the new general secretary's first priority may well be to win approval for good housekeeping. At the same time, however, he is unlikely to ease up on his behind-the-scenes political activities, aimed at "preventing the union falling into the hands of the Communist Party."

Rather, he is likely to fight to bring the AUEW more enthusiastically in line with a range of Labour Party policies. This will contrast with what would have been the approach of his opponent in the election, Mr. Wright, who is an unashamed Left-wing Labour Party member and agrees with most of the Tribune group's current criticism of aspects of Government policy.

There is no doubt that Mr. Wright's defeat is a bitter, but not unexpected, blow for the AUEW Left. After the first ballot, when Mr. Boyd had a crushing lead over all other rivals, Left-wingers accused themselves of complacency and redoubled their efforts to salvage Mr. Wright's position in the second ballot, which was a straight fight between the two men.

After January, however, few Left-wingers seriously believed that the first ballot positions could be reversed. To the Left, Mr. Boyd's election is a "disaster" for the union. Their judgment reflects their intense fears of a frontal assault on the strong influence over AUEW policies which Left-wingers have struggled to build up over the past ten years.

In particular it is feared that yesterday's result will be a further setback for the bid to forge an integrated union out of the current loose amalgamation of the four AUEW sections—engineering, foundry, constructional, and technical and supervisory.

## Waning

The engineering section's national committee recently threw out integration proposals for the second year running—a rejection which Left-wingers connect with Mr. Boyd's apparently waning enthusiasm for the idea. The creation of one engineering union was a central plank of Mr. Wright's election platform, which promised a modernised AUEW with its "basic democracy" protected. But his appeal may well have been compromised by his close identification with Mr. Scanlon—as Mr. Boyd tended to suffer through standing in Lord Carron's shadow during the 60s. To those members disenchanted with the quality of the union's administration and with its political stance, Mr. Wright did not seem to offer any real change of direction.

In general Mr. Boyd's election will be welcomed by all those who want the power of the Left to be curbed. Engineering employers sometimes find Left-wingers easier to deal with on industrial relations than those on the Right but dislike the growth of Left-wing power in political terms. This means they frequently have split views on who they want to win the AUEW elections. This time their hope must be that, after eight years of gradual movement to the Left in the union, the Right has, at least for the time being, reasserted itself with Mr. Boyd's election.

# Letters to the Editor

## Engineering graduates

*From Professor W. A. Mair and others.*

Sir,—Undergraduates reading for the Engineering Tripos at Cambridge are required to gain practical experience in industry—over and above their basic workshop training—before they are eligible to sit for their final honours examination. Traditionally, about half have obtained this experience before coming to university, and the remainder during vacations.

Many firms have regularly provided opportunities of this kind, and we believe they would agree that the system has proved to be of mutual benefit. Certainly, at a time when industry as a whole is tending to bewail the fact that graduates are ignorant of, and uninterested in, careers in industry, this kind of exposure to reality would seem to be of particular importance.

This year, engineering students from this university are encountering unprecedented difficulty in obtaining suitable openings in British industry for the short period required (a minimum of four weeks). Although we appreciate that training budgets may have been cut during the present period of financial stringency, it is short-sighted to make cuts in this small but critical area.

Each year industry seeks to attract engineering graduates with good training, and some understanding of industry. Short-term fluctuations in industry's readiness to provide practical experience increase the impression of erratic and volatile reaction to events which is one of the factors that tend to deter graduates from looking seriously at industry for their careers.

The problem is both long-term and, for those now at the university, immediate. Has anyone from industry any suggestions?

Professor W. A. Mair,
Head of the Department of Engineering.
N. G. Wallace,
Superintendent of Workshops Department of Engineering.
W. P. Kirkman,
Secretary of the University Appointments Board.
Colonel K. N. Wylie,
Careers Adviser for Engineers.
*University of Cambridge,*
*6, Chaucer Road, Cambridge.*

## Treaties and subsidies

*From Mr. G. Schwartz.*

Sir,—We must get the facts right. The referendum is not being held to find out whether we should remain in the Common Market or get out. It is: whether we are going to honour a treaty which was made by the elected Government and ratified by the elected Parliament—or welsh on it.

With regard to food prices, we have been living in a fool's paradise for the last 50 years. We never paid the real price but only a heavily subsidised one. No wonder it was cheap in the shops.

G. T. Schwartz,
*24a, Avenue Road,*
*Highgate.*

## European Court controls

*From Mr. T. W. Marriott*

Sir,—In his article on Sovereignty and the EEC Court (May 14), Mr. Hermann says: "The decisions of the European Court are subject to no democratic controls." I suggest that this is not true. Should members of the EEC not agree a decision of the Court they have power so to amend the treaties that the decision of the Court is overruled. Admittedly this is a slow and clumsy procedure but in fact is of the same type as is necessary in this country to overrule decisions of the House of Lords. However inconvenient the procedure may be it still exists and accordingly decisions of the Court are subject to control.

T. W. Marriott.
*13, Claremont Road,*
*Norwich.*

## Establishing facts

*From The Head of the U.K. Office Commission of the European Communities.*

Sir,—Mr. Joseph Kane (May 6) criticises the U.K. office of the Commission of the European Communities for its assertion that the Community "is not a drain on capital." Since our role during the referendum is not to take sides but to provide facts, I hesitate to enter into a debate. But I must point out that the figure Mr. Kane quotes from Government sources for 1973 showing a net outflow of some £400m. to other EEC countries relates only to direct investment. This is only one item—and not a preponderant one—in the U.K. capital account.

No complete geographical analysis of capital movements is published by the British Government; but it would appear from figures given in the Bank of England's Quarterly Bulletin that transactions in foreign currencies by British banks with the other eight Community countries improved the U.K. balance of payments in 1973 by over £800m. This calculation takes no account of the fact that there was a large net inflow of the same type from Switzerland in that year, for much of which the Swiss were in all probability intermediaries, on-lending funds deriving in part from Britain's Community partners.

I therefore stand by the statement made in the March issue of "European Community," that is, that "figures so far suggest a net inflow into Britain from the rest of the Community and elsewhere." This was a deliberately cautious assessment, but the "vagueness" of which Mr. Kane complains is unavoidable in view of the patchiness of officially published figures.

Richard Mayne,
*20 Kensington Palace Gardens, W.8.*

## More facts—less emotion

*From the managing director, Consolidated Metal Company.*

Sir,—Isn't Michael Lipton's letter (May 14) a lovely example of the attitude of the so-called "intellectual"—whether of the Left or Right; they are so busy looking for the motes in every other eye they fail to see the one in their own. He goes on alarmingly for some 17 column inches berating those who accept the assumptions of the "business-lunch Right," economic journalists not answering his (just-raised) questions, correspondents who produce frivolous anti-intellectual claptrap, and "totally unresearched business-lunch-Right remarks. . ."

I do not know if Mr. Lipton is a lean man, but he must surely be a hungry one, since he can't seem able to get away from those businessmen's lunches, but has he any right to complain of anyone else's totally unresearched remarks when he makes numerous generalisations and comments which from their very nature could not have been researched? How can he justify the comment that Sam Brittan is "the finest analytic mind in economic journalism to-day"? I happen to agree, but surely that is just a personal opinion? What research has he done to prove his statement that "practical businessmen of the unthinking Right (are there any?) — hating taxes, hating most public spending . . . are in large part responsible for the state of the nation"? Maybe most businessmen of the Right, Left or Centre would agree that more responsibility for the state of the nation could be laid at the door of the attitude indicated in Mr. Lipton's earlier remark that ". . . (Mr. Healey) now realises that more, not less, State intervention is needed." I doubt if many intelligent people would agree with that comment, although I hasten to add that I haven't totally researched the matter!

Come, come, Mr. Lipton, there seems to me a good deal of sense in what you write, but please keep your cool; just let us have more researched facts and much less subjective emotion.

C. C. McKinnon.
*Steelbright Works,*
*111, Carpenters Road, E 15.*

## Indeterminate terms

*From The Head of Research, Aims of Industry.*

Sir,—Mr. Michael Lipton's letter (May 14) tells us something about the frustrations of university lecturers, but even more about the thinking of the Left.

Your writers, whose research is so sweepingly condemned, must wonder at the implication that your and their views are increasingly based on those of the "unthinking business-lunch Right" and acceptance of "the platitudes of a small and stupid minority of businessmen." How much research went into that generalisation, when it so clearly ignores the multitude of complaints of taxpayers and ratepayers at to-day's level of public-spending?

Without expressing any opinion on the grievances of university lecturers or civil servants, I feel that the Left (as well as others) ought to be more specific about some of the terms used in discussion of our current economic problems. "Parity" and "pay-comparability," for example, require us to retort "parity with whom?" and "why with them and not others?" "Essential services" is another term much used to-day, but essential to whom? and which services? Wage-earners demonstrate daily that they do not regard some services as so essential that they are willing to reduce their claims (real income) so that resources may go into these services. "Democracy" and "participation" are other terms given no precise meaning in current discussions.

Mr. Lipton praises state intervention, but it isn't clear whether he would accept the allocation of all resources by state decree (nor whether he would be any happier if he did). But intervention begets more intervention. In another sweeping assertion Mr. Lipton blames "practical" businessmen of the unthinking Right for much of the nation's present condition. Practical businessmen and many others are now acutely conscious that state intervention has given us a legislative and institutional framework within which it is impossible for the economy to work satisfactorily. Until we get back to a freer market economy, business will find great difficulty in providing the resources that make it possible to maintain public services, including education, at their present levels.

Malcolm Hoppe.
*5, Plough Place,*
*Fetter Lane, E.C.4.*

## Producing the goods

*From Mr. M. Frankel.*

Sir,—I refer to Mr. M. Lipton's letter of May 14. His last paragraph reads. "The practical business men of the unthinking Right hating taxes, hating most public spending, regarding civil servants and Dons as overpaid layabouts—are in large part responsible for the state of the nation." May I respectfully suggest that these men are also largely responsible for producing the goods to pay for the Welfare State without the tyranny of a totalitarian system.

Mervyn Frankel.
Park Place Investments,
*1-3, Great St. Thomas Apostle, E.C.4.*

## Administration costs

*From Mr. R. Oakeshott*

Sir,—As someone who travels regularly by British Rail—and very much enjoys doing so—I read Colin Jones (May 15) with great interest. But I was partly disappointed. What I had been hoping for was some explanation of why long-distance training is so much more expensive than long-distance bussing. On a return between Newcastle and London the difference is roughly two and a-half times. Yet the energy cost by bus must be greater. And so must the direct manning cost.

On a 40-seater Newcastle-London bus you find a driver and a conductor (that is, one to 20 passengers). But a normally full train will carry 300 or more people. Even allowing for a driver, driver's mate, guard and ticket collector, the ratio in the second case is much more economic.

Of course, road traffic does not have to carry anything equivalent to the cost of the signalling system. That suggests, incidently, that motorists might reasonably be required to pay the costs of traffic police.

My main point, however, is rather different. It is that the extra cost (of the signalling system) to the railways cannot surely exceed their lower costs, compared with long distance buses, of fuel and of "direct manning together."

Perhaps the answer is that rail track maintenance costs are much higher than road maintenance. If that is the case, however, it surely deserves to be known: and the reasons for it explained.

My own hunch would be—and Colin Jones induced some frightening evidence in support of this—that British Rail's costs are loaded with the wages of administrative personnel; and that that in turn is mainly, as he suggests, to do with the diseconomies of scale. A rail system broken up into small units, and with the management of each unit accountable to its work force, would actually need a proportionately smaller number of "tertiary" personnel. Working in an enterprise which is so controlled, I also happen to find that there is real, and indivisible, pressure from the "production line" to keep down "overload staff" to a minimum.

Robert Oakeshott.
*13a, Rutland Street,*
*Sunderland.*

## Railway finance

*From The Hon. Secretary, National Council on Inland Transport.*

Sir,—Railway management and the trade unions may want us to believe that the present scale of services can only be provided by drawing even larger sums of money from the taxpayer. This is not, however, really true; railways, as every boy with an electric train set will know, are capable of almost complete automation. What is wanted is pressure from the public to insist not only that the two sides get together to discuss improvement, but also work out a plan to implement the necessary changes. Productivity is at present painfully poor.

In defence of the Board, however, it must be pointed out that the apparent escalation of rail losses from under £100m. to £341m. is due not only to a worsening financial situation but more to a change of book-keeping methods; the costs of signalling and track have now been transferred from capital to current account. Most would agree that this is the correct way to show them. The other major change in the financial arrangements, block "compensation" (to use the new word) to cover passenger losses, instead of line by line payment, seems to be a move away from rigid discipline.

Before we again start spoiling our railway system by closing parts of it, let us remember that new road construction costs are still running at over £640m a year. When interest charges and the true cost of accidents and other hazards are added to the bill, road transport may well be more expensive than rail.

Roger Calvert.
*Woodside House,*
*High Road, N.22.*

## No real gain

*From Mr. T. MacGregor.*

Sir,—Mr. C. King (May 15) at first sight, puts up an attractive case for industrial companies investing in preference shares rather than in plant. He suggests that by offsetting the tax credit from investment income against ACT paid, the preference shareholder can build up an effective gross yield of 16 per cent. But is this really so? I think not.

Mr. King has overlooked the fact that the recovery of ACT by using the tax credit from preference share income is no real gain (ignoring the cash flow aspect). Any recovery simply serves to increase the mainstream corporation tax payable by the company, and the build up to 16 per cent disappears.

T. D. MacGregor
*31, Finnieston Street,*
*Glasgow.*

## To-day's Events

COMPANY RESULTS
Beecham Group (full year).
International Combustion (Holdings) (full year).
Plantation Holdings (full year).
Wedgwood (full year).

COMPANY MEETINGS
Blackwood Hodge, Dorchester Hotel, W., 12.30.
Brammer (H.), Manchester, 11.
British Printing, 20, Aldermanbury, E.C., 12.
Callender (George M.), Great Eastern Hotel, E.C., 11.30.
Danish Bacon, Hyde Park Hotel, S.W., 11.30.
Equitable Life Assurance Society, 4, Coleman Street, E.C., 12.30.
Expanded Metal, 5, Belgrave Square, S.W., 12.30.
General Accident Fire and Life Assurance, Perth, 11.30.
Hepworth Ceramic, Charing Cross Hotel, W.C., 12.
Jones (A. A.) and Shipman, Leicester, 2.15
Legal and General, 11, Queen Victoria Street, E.C., 2.30.
London United Investments, Great Eastern Hotel, E.C., 12.
Provident Life Assurance of London, Abercorn Rooms, E.C., 12.
Slough Estates, Savoy Hotel, W.C., 2.30.
*Sun Alliance, 1, Bartholomew Lane, E.C., 12.30.*
Stag Furniture, Nottingham, 12.
*Union Corporation, Winchester House, 10.45.
Weir, Glasgow, 12.
Wood and Sons, Burslem, Stoke-on-Trent, 12.

* Informal meeting.


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# COMPANY NEWS + COMMENT

## Ozalid ahead £1.58m. to record £8.9m.

AFTER EXPANDING from £3.3m. to £4.57m. at halfway taxable profit of sensitised paper makers Ozalid Group Holdings shows a £1.58m. advance at a record £8.94m. for all 1974. Group turnover increased from £63.1m. to £79.75m.

Earnings per 25p share are shown at 17.3p (15.9p) and the dividend total is raised from 4.89p. to 5.3p with a final payment of 3.13p net.

After tax of £4.64m. (£3.65m.) the net profit emerges £591,000 higher at £4.3m.

The early months of 1975 have continued to present uncertain and difficult trading conditions and it is recognised that the year will prove to be a testing time, says chairman Mr. N. J. Kiely.

He adds that the "substantial" increase in turnover and profits in 1974 was due to a considerable degree to the continued expansion of overseas trade from £35m. to £46.5m.; exports from the U.K. also showed a marked increase from £7m. to £8.72m.

In the home market, despite adverse factors such as the "three-day week" and shortage of raw materials, production and turnover held up well.

**• comment**

Growth on the overseas/exports side has clearly been the driving force behind Ozalid's 22 per cent. pre-tax gain during 1974. Over the year as a whole overseas sales moved ahead by one third, compared with 18½ per cent. in the U.K., with most of the punch coming in the first six months. The trading climate now, however, has deteriorated, particularly in the U.K. and North America, though South Africa and Scandinavia are actually better. The trend is for the number of orders to be roughly static but the size of those orders to be down as customers continue to de-stock. The unavoidable conclusion is that profits will be lower in the current year. On the brighter side, the report should show that borrowings are roughly unchanged over 1973. The yield of 4.9 per cent. at 170p is covered a comfortable 3.3 times.

Statement, Page 28

### INDEX TO COMPANY HIGHLIGHTS



period, with a profits gain of a third, to finish nearly two-fifths lower, while the computer bureau shows a profits gain of a fifth now that the new Birmingham centre has become operational. The holiday division, where profits fell by 38 per cent., before provisions against Court Line and foreign currency deposits of £130,000, has curtailed Continental air operations and reports doubled Continental coach bookings, and U.K. demand, for the high season at least, is buoyant. In addition, the motor division is receiving considerable help from repair work and sales of spares. Despite some evidence of an improvement in trading, the recent retreat of sterling could again create problems, and the shares, which at 28p yield 16.8 per cent., are clearly being treated with caution.

## Government loan for Automatic Oil Tools

**Automatic Oil Tools** has been granted a £500,000 loan from the Department of Energy under the term of the Industry Act, the company announced yesterday. The terms include an option giving the Government conversion rights into the company's Ordinary shares.

The loan facility has been made to enable the company to expand its production of oil metering equipment and will be used to finance the production of equipment for metering stations in the North Sea and at each end of the Suez to Mediteranean pipeline. This latter project is under a contract recently announced worth £2.8m.

The company said that the terms will be put to shareholders at an extraordinary meeting and details will shortly be circulated to shareholders.

In December it was revealed that the Slater Walker Group together with investment trusts, unit trusts and fully discretionary investment clients had an interest of 27.49 per cent. in the company's equity.

## Cuthbert midway loss £546,000

AFTER HIGHER interest of £209,000 against £54,000, nurserymen and seedsmen, R. and G. Cuthbert, reports a pre-tax loss for the half-year to December 31, 1974, of £546,000 compared with £300,000. Sales advanced from £2.58m. to £7.7m.

The interim dividend is 0.35p (same) net per 10p share. Last year's total was 1.6p from profits of £536,724.

The directors say that an important, if diminishing, slice of the group's income derives from the highly seasonal gardening market. Therefore the effect of increases in costs and revenues, occurring in the different periods of the financial year, is to increase the disparity in trading results between the two half-years. In each year little can be deduced from the trading loss for the first half.

The increase in interest charges arises principally from inclusion of full charge relating to the acquired companies and does not indicate any noteworthy increase in borrowings.

With an eye to the worsening economic climate the reorganisation of the hardware division was accelerated. This entailed some exchange of present for future reward, but the group is beginning to see the first fruits of the difficult process of change.

The horticultural companies await the outcome of their trading season, but the rather earlier mail order season has set new records in revenue and there are signs of having gained a successful toehold for future expansion in the Canadian market, add the directors.

**• comment**

Basically Cuthbert is still in its period of metamorphosis. The interim stage as usual shows a pre-tax loss due to the seasonal element of the seeds business and of the historically gardening-orientated Johnson Gibbons acquisition. Yet, unlike 1973-74, hardware is unlikely to represent the majority contribution to profits, as Cuthbert ploughs back income to develop, rather than increase borrowings, which stood at £2¼m. last June. The Canadian operation is still in its early stages, but there is the additional bonus of packets printed in French as well as English opening up European markets without much extra cost. Yet, as with much of Cuthbert's operations, the benefits are meant to be felt later in the decade rather than now; even the traditional seeds side has yet to bear full fruit in Canada, although a record year from seeds looks a strong possibility. Yesterday the shares eased ½p to 34½p, which perhaps underlines the problem of evaluating Cuthbert's interim figures rather than provides any real comment on the future.

## Barr & Wallace Arnold fall

OWNERS OF motor coaches and hotels, etc. Barr and Wallace Arnold Trust announces a decline in pre-tax profit from £711,263 to £302,314 for all 1974 after a fall from £641,014 to £215,733 for the first seven months.

Earnings are shown at 3.61p (8.96p) per 25p share and the dividend is 2.75p net compared with 2.80896p.

| | 1974 £ | 1973 £ |
|---|---|---|
| Turnover | 22,855,000 | 22,037,000 |
| Depreciation | 137,918 | 160,683 |
| Provision bad debts | *95,902 | — |
| Prov. foreign currency | 30,000 | — |
| Pre-tax profit | 302,314 | 711,263 |
| Tax | 159,793 | 364,138 |
| Net profit | 142,521 | 347,146 |
| Extraordinary debit | 29,060 | — |
| Minority loss | 3,047 | — |
| Attributable | 116,388 | 347,106 |

* Re Court Line.

**• comment**

Barr and Wallace Arnold's pre-tax profits in the final five months have shown only a small improvement, and a 58 per cent. drop for the year follows a two-thirds drop in the first seven months. The motor division staged something of a recovery in the second

## Hardy tops forecast with £2.6m.

COMPARED WITH the midway forecast of around £2.2m. Hardy and Co. (Furnishers) has turned in a pre-tax profit of £2.57m. for the year ended January 25, 1975. The 1973-74 figure was £2.73m.

The directors explain that trading in the early part of the year suffered from the three-day working week and its after effects. The second half showed a considerable improvement and this better level of trading has continued into the current year.

The net dividend is unchanged at 2.819p, with a final of 1.664p.

| | 1974-75 £000 | 1973-74 £000 |
|---|---|---|
| Group turnover | 26,797 | 28,464 |
| Profit before tax | 2,569 | 2,729 |
| Taxation | 1,401 | 1,409 |
| Net profit | 1,168 | 1,320 |
| Ord. divs. | 650 | 660 |

The directors point out that the deferred profits carried forward now stand at £5.21m., compared with £5.14m.

Phillips Furnishing Stores, a subsidiary, reports profits up from £487,000 to £500,000 subject to tax of £266,000 (£251,000). Of the profits preference dividends will absorb £13,000 and the Ordinary and "A" Ordinary £161,418 (same).

The directors have waived their rights to receive emoluments from the company amounting in aggregate to £30,104 (£28,562).

**• comment**

The second half of Hardy's year recouped most of the setback of the interim stage and the year's total was left little different, with a 1 per cent. increase in turnover and a 6 per cent. drop in pre-tax profits—a condition somewhat better than indicated at the half-way stage. The fall-off in credit sales after the introduction of HP restrictions at the end of 1973-74 was revised in the latter part of 1974-75 and, overall, the year's carry-forward was marginally increased against a decrease in the reserve of over £¾m. at half-time. For 1975 Hardy is so far trading at a level similar to that of 1973-74, yet it is an operation which is highly vulnerable to economic conditions and pressures on consumer spending, a fact that is no doubt borne in mind and reflected in a yield of 12.6 per cent. at 36p.

Mr. Arthur Bryan, chairman of Wedgwood, who is due to announce to-day the preliminary results for the year ended March 31, 1975.

### DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Barr & Wallace Arnold | 2.75 | July 18 | 2.81 | 2.75 | 2.81 |
| Cambrian Gen. Secs. int. | 1.63 | June 27 | 1.34 | — | 5.03 |
| Chamberlin & Hill | 1.14 | July 23 | 1.22 | 2.04 | 1.87 |
| Coalite & Chemical | 0.32 | Aug. 1 | 0.33 | 0.61 | 0.56 |
| R. & G. Cuthbert int. | 0.35 | July 31 | 0.35 | — | 1.6 |
| Ever Ready | 2.32 | July 17 | 2.06 | 3.19 | 2.94 |
| F. G. Gates | 3.86 | July 8 | 3.86 | 3.86 | 3.86 |
| Hardy (Furnishers) | 1.66 | — | 1.66 | 2.82 | 2.82 |
| Hartwells | 2.28 | July 31 | 2.32 | 3.28 | 3.37 |
| Investment Trust Cpn. | 3.12 | July 9 | 2.68 | 4.53 | 4.08 |
| Kelsey Industries int. | 1 | July 8 | 1 | — | 3.47 |
| John G. Kincaid | 13.19 | — | 15.25 | 18.19 | 18.75 |
| Liner Concrete int. | 0.24 | Aug. 1 | 0.22 | — | 0.6 |
| London & Lennox Inv. | 1.3 | June 27 | 1.15 | 1.63 | 1.3 |
| Muirhead int. | 0.55 | July 16 | 0.55 | — | 2.83 |
| Napcolour | 30.39 | May 30 | 27.2 | 30.59 | 27.2 |
| Ozalid | 3.13 | July 18 | 2.87 | 5.3 | 4.89 |
| Ransome Hof. Pollard int. | 1.19 | July 17 | 1.09 | — | 2.93 |
| Walter Runciman | 5.64 | July 1 | 5.17 | 5.64 | 5.17 |
| Seccombe Marshall | 8.95 | July 1 | 8.14* | 13.97 | 12.86* |
| Herman Smith int. | 0.23 | June 16 | 0.23 | — | 0.37 |
| Stockholders Invest. int. | 2.5(a) | July 14 | 1.5 | — | 5.5 |
| Time Products | 0.93 | — | 0.86* | 1.25 | 1.15* |
| Turnbull Scott Shipping | 4.41 | — | 4.25 | 8.41 | 7.75 |
| Viking Resources | 0.55 | July 1 | 0.5 | 0.55 | 0.5 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) To reduce disparity.

## Runciman turns in £2.41m.

AFTER RISING from £539,827 to £1,111,353 in the first half, taxable profits of shipping and freight agents, Walter Runciman and Co., finished 1974 ahead by £946,468 at £2,411,275. Turnover advanced from £20.17m. to £24.25m. Tax takes £1,265,914 against £712,054.

Earnings per 25p share are shown to be up from 14.6p to 22.9p and the dividend is raised from 5.17p to 5.64p net.

Extraordinary depreciation of £550,951, less applicable tax, has been met by a transfer from reserves.

**• comment**

Walter Runciman's 1974 profits are well up to most half-time expectations, with a 64 per cent. rise in the pre-tax level. This stems from continued growth by the shipping and insurance divisions plus some recovery by the security products side. With freight rates still very depressed, the shipping sector generally is likely to experience very tough conditions in 1975. Runciman, however, should be protected against this because, with the exception of the Star Assyria, soon to be disposed of, all its ships have been time-chartered at reasonably favourable rates. So although the escalation of operating costs still seems to put any chance of a further increase in shipping profits out of the question in the current year, the group is unlikely to suffer a very severe overall downturn, especially since the security and insurance operations are continuing to make progress. The shares, which rose 10p ahead of the figures yesterday to 110p, are yielding 8.3 per cent.

## Peak £2.1m. for Time Products

WATCH AND clock distributors and retail jewellers, Time Products, reports group turnover up from £11.34m. to £15.32m. for the year to January 31, 1975 and an advance in taxable profits from £1.69m. to a record £2.1m. after £0.83m. against £0.66m. for the first half.

Earnings are shown to be up from 13.37p to 18.85p per 10p share and the dividend is effectively raised from 1.1464p to 1.25p net with a final of 0.93p.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| Group turnover | 15,317,230 | 11,340,408 |
| Trading profit | 1,815,540 | 1,317,992 |
| Share of associates | 280,487 | 369,282 |
| Profit before tax | 2,096,027 | 1,687,464 |
| Taxation | 945,393 | 748,893 |
| Extraordinary credits | 130,397 | 77,944 |
| Making | 1,281,031 | 1,016,345 |
| Dividends | 76,295 | 69,986 |
| Balance | 1,204,736 | 946,359 |

**• comment**

Helped by a buoyant Christmas period, Time Products maintained a steady rate of volume growth throughout 1973-74, sales rising by 35 per cent. and pushing profits up by 24 per cent. pre-tax. On the face of it, the current year's prospects appear to be threatened by the recent rise in VAT on precious metals, but high levels of taxation on jewellery products are nothing new to the sector and this is expected to have only a limited effect on volume this year. The declining pound has pushed prices of imported watches up at a rapid pace recently, but the group's concentration on Russian goods, the prices of which are rising at a slower pace than those from elsewhere, may offer some protection against price resistance. In fact, the group reckons that demand on its retail side is showing no signs of slackening, while its wholesale operation has seen no evidence of de-stocking by customers. This is just as well, since the shares at 63p are yielding well below the sector average at 3.1 per cent.

**ISSUE NEWS**

## One-year bonds at $12\frac{1}{4}\%$

The coupon rate on this week's batch of local authority one year bonds slipped from last week's level of 12⅜ per cent. to 12¼ per cent. at par. The bonds are due on May 26, 1976.

This week's issues are:— Royal Borough of Kensington and Chelsea (½m.), City of Manchester (£1½m.), Bedford District Council (£½m.), Cumbernauld District Council (£¼m.), Mole Valley District Council (£½m.), City of Exeter (£½m.), Copeland Borough Council (£½m.), Strathclyde Regional Council (£1m.), London Borough of Wandsworth (£½m.), Inverness District Council (£½m.), Sedgemoor District Council (£½m.), Salisbury District Council (£½m.), West Lothian District Council (£0.3m.), Borough of Ipswich (£½m.), Lochaber District Council (£¼m.), City of Dundee (£½m.), Renfrew District Council (£1m.), Metropolitan Borough of Sandwell (£1m.), Havant Borough Council (£½m.), Inverness District Council (£½m.), Borough of Ipswich (£½m.), Mid-Bedfordshire District Council (£½m.), Newbury District Council (£½m.), Northamptonshire County Council (£½m.), Oldham Metropolitan District Council (£½m.), Plymouth City Council (£1m.), Borough of Sunderland (£1m.).

**ASSOCIATED BISCUIT**

Of the 8,895,193 ordinary shares of 20p each of The Associated Biscuit Manufacturers offered by way of rights at 33p per share to ordinary and 'A' ordinary shareholders for acceptance on May 16, 1975, 8,442,070 ordinary shares (94.91 per cent.) were taken up.

The balance has been sold at a net premium over the offer price, and will be distributed to shareholders entitled thereto, subject to no individual amount of less than £1 being distributed.

## First half surge to £3.13m. by RHP

DESPITE THE general economic climate, Ransome Hoffmann Pollard's performance — as forecast—continued to improve in the six months to March 28, 1975, with pre-tax profit almost trebling from £1.06m. to £3.13m. Including monetary gains of £1.14m., this is equivalent to £2.23m. on a CPP basis.

Although the second half includes the holiday period, chairman Mr. G. W. Barlow expects earnings to be maintained in the second half.

First half earnings are shown to be up from 2.9p to 7.7p per 25p share or, fully diluted, from 2.5p to 6p and Mr. Barlow explains that the continued improvement is derived from benefits from investment and reorganisation carried out in recent years.

Interim dividend is up from 1.08875p to 1.19p, an increase of 12.5 per cent. The directors intend to declare a final which will increase the total by the maximum permitted.

| | Half year 1974-75 £000 | 1973-74 £000 |
|---|---|---|
| External sales | 31,082 | 26,871 |
| Trading profit | 3,643 | 1,881 |
| Interest | 201 | 479 |
| Conv. loan stock | 316 | 345 |
| Profit before tax | 3,126 | 1,057 |
| Taxation | 1,674 | 540 |
| Net profit | 1,452 | 517 |
| Extraord. credits | 55 | 307 |
| Pref. dividends | 22 | 22 |
| Attributable | 1,485 | 802 |

Mr. Barlow says that the company has had the support of the Price Commission in regard to U.K. prices which has assisted it to generate profits needed to finance the capital investment programme "to which we continue to attach the greatest importance."

"Reflecting the world tendency to recession there has been some cutbacks in demand both from home and abroad. These have been absorbed without disruption and following a period of excess ordering last year the outstanding order book has been slimmed to a more realistic basis. The group now has some areas of under-utilisation of capacity, but in general forward order cover and new orders give adequate work for continued profitable operation."

While the automotive business remains substantial and desirable, the group has developed a policy of ensuring that the capacity devoted to this sector is governed by the generation of a reasonable profit rather than pure volume.

The chairman states that despite the severe rate of inflation RHP continues to maintain tight control on liquidity, and borrowings to the end of the half year were virtually unchanged from those of the beginning.

For the full year to September 27, 1974, pre-tax profit was a record £2.81m. and dividend totalled 2.93125p.

The company makes precision bearings and industrial fasteners.

At a Press conference, Mr. Barlow emphasised that the results were "not a flash in the pan but a continuation of the improving trend seen last year and are maintainable in the foreseeable future and certainly in the second half."

The group will be spending some £3m. over the current year on new plant and equipment as part of its modernisation plan. The figure last time had been around £2m.

**• comment**

RHP looks capable of lifting profits from £2.8m. to around £6m. pre-tax this year despite sluggish demand, and the key is loss elimination on the automotive side plus a more profitable shift generally in the group sales mix. For the six months, volume is down by about 5 per cent., and the group is beginning to work at less than capacity in certain areas. Still, debt and stock levels are being held, so the balance sheet is going to emerge from 1974-75 with considerable strength: cover for the year dividend could be up to about five times. At 66p the prospective yield is 7.8 per cent.

Statement Page 26

## Hartwells recovery in second half

LOWER BANK borrowings coupled with falling interest rates and tighter control on overheads enabled the Hartwells Group to make up lost ground in the second half of 1974-75. The result is that profits have emerged virtually unchanged at £718,572, compared with £718,509, for the 12 months ended February 28, after a first-half drop from £470,786 to £333,719.

Earnings per 25p share are stated to be down from 9.5p to 7.3p. The final dividend is 2.275p, making a net total of 3.28p, compared with 3.369p—equal to 20 per cent. (19.845 per cent.) gross.

In the first six months the group suffered from a shortage of new vehicles, and in the second half had to face a recession in the motor trade. The rate of inflation coupled with price restrictions has affected net profit margins, explains chairman Mr. F. S. Huggins.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| External sales* | 41,909,672 | 34,338,107 |
| Net trading profit | 1,192,097 | 1,046,071 |
| Interest payable | 473,525 | 327,562 |
| Profit before tax | 718,572 | 718,509 |
| Taxation | 400,719 | 329,085 |
| Net profit | 317,853 | 389,424 |
| Extraordinary credit† | 59,096 | 15,835 |
| Making | 376,949 | 405,259 |
| Dividends | 143,227 | 137,469 |
| Leaving | 233,722 | 267,790 |

* Exclusive of VAT and car tax. † Profit after tax on sale of Rose Hill premises, less a write-off of goodwill of £1,000.

Members are told that the Government decision to defer payment of corporation tax under stock relief provisions has proved beneficial—the £160,000 which would normally have been paid in January is deferred, and it is most unlikely that any tax will be paid in January 1976. These measures are helping the liquid position at present, but as the tax is deferred only, funds must be made available to meet any ultimate payment.

The accounting difficulties experienced last year on the fuel oil side have been resolved and the whole operation is now working on a firmer basis. There has been a higher incidence of bad debts, but adequate provision has been made in the accounts, says the chairman.

As regards 1975-76, he reports that profit for March and April show an improvement over the same 1974-75 period and the volume of total business has improved. Overheads are bound to increase, but "we are making every effort to control these by comparing our actual overheads against budget forecasts each month."

## Improved first half at Kelsey

WITH turnover up from £4.69m. to £5.97m., taxable profit of Kelsey Industries expanded from £431,815 to £510,499 in the half year to March 31, 1975.

Although the overall group profit shows an improvement, the chairman, Mr. A. Arbib, says he is unable to prophesy the year-end results.

Earnings per 12.5p share are shown to be up from 5.3p to 5.9p and the interim dividend is 1p (same).

Net profit increased from £202,815 to £224,449 after tax up from £229,000 to £286,000. Attributable profit is up from £202,815 to £224,499.

Pre-tax profit for the full year to September 30, 1974 was a record £966,715 and dividends totalled 2.46875p. The company makes and sells solder, sealants and mastic compounds and operates as industrial roofing and insulation contractors.

## Garner Scotblair

Garner Scotblair, tanners and leather merchants, will continue to look for further opportunities for profitable expansion, says the chairman, Mr. K. Newton. He believes the group is strongly placed to take advantage of any recovery in world trade.

Major current capital developments are almost complete and this year every effort will be made to exercise the maximum restraint on costs of all kinds, he adds.

As reported on April 16 group pre-tax profit for the year to January 31, 1975, was £541,000 (£462,000) and the net dividend 2.039p (1.85p). The Scottish companies made a substantial contribution to profits, amply fulfilling expectations.



### COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following companies of dividends of the total amounts specified for the financial years ending on the specified dates:

| | | | |
|---|---|---|---|
| Dufay Bitumastic Ltd. | Shildon | £177,825 | 31.12.74 |
| Reyrolle Parsons Ltd. | Newcastle-upon-Tyne | £615,858 | 31.12.74 |
| The Huntleigh Group Ltd. | London W2 | £81,143 | 31.12.74 |
| Rowton Hotels Ltd. | London SW8 | £265,087 | 31.12.74 |
| Cater Ryder & Co Ltd. | London EC4 | £832,480 | 30. 4.75 |
| Rotork Ltd. | Bristol | £46,904 | 31.12.74 |
| Unilever Ltd. | London EC4 | £34,039,581* | 31.12.74 |

* of which £16,870,352 is not to be paid until further consent.

*Published by the Treasury as required by the above Act*





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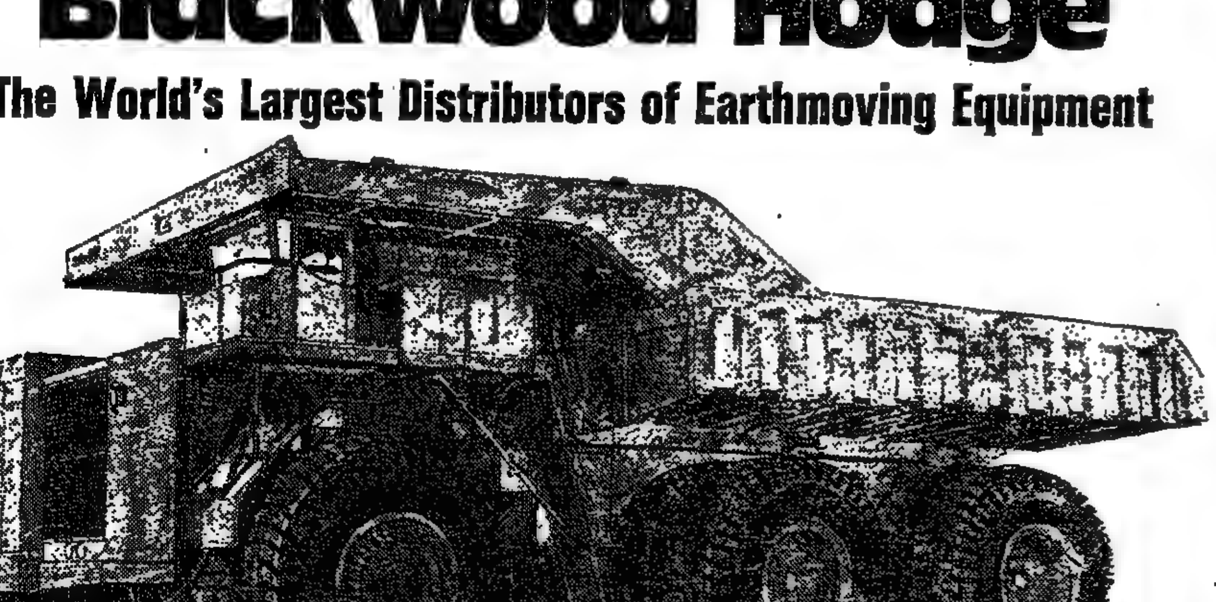

**RECORD TURNOVER**
Up 28.5% to £146 Million

**RECORD PROFIT**
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**GROUP NET ASSETS**
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**FUTURE OUTLOOK**
Profitable Growth

*A copy of the Annual Report and Accounts booklet for the year ended 31st December 1974 can be obtained from the Secretary, 25 Berkeley Square, London W1A 4AX*





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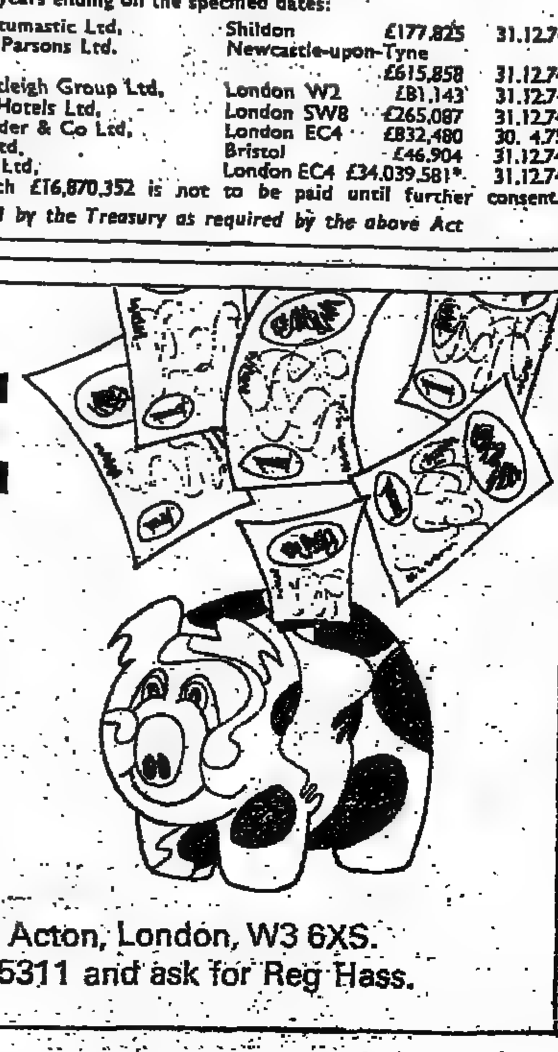

Victoria Road, North Acton, London, W3 6XS.
Telephone: 01 992-5311 and ask for Reg Hass.

# Woolworth's pre-Budget boost

ASSISTED BY the high level consumer spending prior to the introduction of the 25 per cent. VAT rate on May 1, first-quarter 1975-76 profits of F. W. Woolworth and Co. at £4.98m. are better than expected, and represent an increase of £325,000 on the comparable period of 1974-75.

At the meeting in April chairman Mr. S. J. Owen reported that sales were up by some 25 per cent. and, overall the group was in line with its budget for an increase in the year's profit. But he warned that increases in salaries and carry-over of threshold payments, would have an adverse effect on first and second quarter results.

However, by the third quarter the effects of these payments would begin to phase out and profits should then be "moving for the better," said the chairman.

The directors now report that profits continue to be affected by the very heavy increases in wages and other expenses together with the competitive pricing policy they are pursuing.

After tax and taking in an exchange gain of £150,000 (£600,000 loss) there is a net balance of £2.55m. in the first quarter, compared with £1.64m. The directors point out that this exchange gain has since been eliminated by the decline in the value of the pound.

| | First quarter 1975-76 £000 | 1974-75 £000 |
|---|---|---|
| Turnover | 125,864 | 97,629 |
| Less VAT | 8,317 | 5,855 |
| Trading profit | 6,796 | 6,224 |
| Depreciation | 1,203 | 1,118 |
| Interest | 819 | [illegible] |
| Prop. sale profit | 13 | — |
| Profit | 4,796 | 4,673 |
| Taxation | 2,600 | 2,430 |
| Net profit | 2,396 | 2,243 |
| Exchange gain | 150 | [illegible] |

* Loss.

For the year ended January 31, 1975, a pre-tax profit of £30.65m. was achieved from sales (including VAT) of £489.93m. The dividend totalled 3.95p.

Statement, Page 26

See Lex

## Victory Insurance

Uncontrolled inflation and currency instability could have damaging consequences on the conduct of international reinsurance, warns Mr. C. J. Baker, chairman of the Victory Insurance Company in his annual report. reinsurers have to have freedom to match liabilities fully with assets in the appropriate currencies.

Mr. Baker goes on to stress the need for the effects of inflation to be shared fairly between reinsurers and ceding companies, especially in the case of liability claims which could take up to 20 years to settle.

The achievement of an underwriting profit for 1974 of £358,000 against a previous year loss of £113,000 was satisfactory in a very difficult year for the insurance industry. General insurance net premiums rose from £9.2m. to £11.5m., while net life sums assured virtually doubled to £282m., with annual premiums in force increasing from £3.5m. to £5.4m.

Mr. Baker says the assets of the company had been affected by the general fall in market values and to prevent expansion plans from being prejudiced, a £3.5m. capital boost had been given to the company by its shareholders—Legal and General Assurance and *Cologne Reinsurance. In addition* to covering the investment depreciation, it had improved net free assets by more than £800,000. The recovery in investments values this year had by the end of March added a further £2m. to the net free assets.

The company had opened a new underwriting room at Forum House, Lime Street for handling fire, accident, marine and aviation reinsurance. By being readily accessible to Lloyd's and its broker market, this move would facilitate future expansion.

## Seccombe Marshall upsurge

*NET PROFIT of* bill brokers and bankers Seccombe Marshall and Campion went ahead from £156,344 to £435,037 during the year to April 30, 1975.

There is a transfer to contingencies reserve of £175,000 (nil).

Final dividend is 8.9456p net per *£1 share, the maximum permitted* and this raises the total from an adjusted 12.8645p to 13.9706p.

Also proposed is a one-for-ten scrip issue, capitalising £100,000—£75,000 from the share premium account and £25,000 from the balance carried forward.

| | 1974/5 £ | 1973/4 £ |
|---|---|---|
| Brought forward | 383,810 | 366,121 |
| Net profit after tax and transfer to reserve | 435,037 | 156,344 |
| Transfer to reserve | 175,000 | — |
| Int. div. | 50,250 | 47,250 |
| Final div. | 89,456 | 81,403 |

# Ever Ready marginally lower—to raise £8.4m.

TURNING IN profits marginally lower at £12.35m. against £12.85m., for the year ended March 1, 1975, after heavier interest, Ever Ready Co. (Holdings) also discloses plans to raise some £8.4m. by way of a rights issue.

*At halfway—when profits of* £3.27m. (£4.42m.) were reported—the directors said that although it was difficult to forecast the year's result "some diminution of profits . . . was inevitable" compared with 1973-74.

The year's earnings per 25p share are stated at 10.33p, against 10.84p. The dividend is being raised from 2.94p to 3.194p, with a final of 2.819p.

External sales expanded from £89.2m. to £103.9m.—of this U.K. accounted for £46m., compared with £57.9m. in overseas markets. A split of the profit before interest and tax—of £15.2m., against £14.7m.—shows that *although U.K. profit was lower* (owing to the economic climate and price controls) at £6m. (£9m.), the overseas contribution improved from £5.7m. to £8.6m.

The directors report that the group's overseas operations are currently trading more profitably than the companies engaged in the U.K. domestic market, and sales figures indicate an expanding need for additional working capital. Because of the wide geographical spread of activities the group should continue to trade satisfactorily despite the present difficult conditions in the U.K.

They anticipate that it will be possible to maintain the dividend on the capital as increased by the proposed issue.

| | 1974-75 £000 | 1973-74 £000 |
|---|---|---|
| External turnover | 103,893 | 89,177 |
| Profit* | 12,353 | 12,854 |
| Taxation | 6,010 | 6,280 |
| Net profit | 6,343 | 6,574 |
| Minorities | 1,012 | 963 |
| *Extraordinary items* | 36 | — |
| Attributable | 5,295 | 5,301 |

* After interest £2,531,000 (£1,511,000), but includes share of associates £813,000 (nil).

It is considered appropriate to consolidate the results of associates for the first time in the accounts for 1974-75. Had it been appropriate to adjust the 1973-74 comparatives, profit after tax would have been increased by £146,000.

The rights issue is on a one-for-four basis at 65p per share, payable in full on acceptance, not later than July 4 (3 pm). Arrangements are in hand for the issue to be underwritten.

The directors explain that since the beginning of 1968 the group has spent a total of some £32.5m. on a substantial programme of capital investment. Factories have been built and the majority of the group's existing establishments, both in the U.K. and overseas, have been re-equipped with modern plant. In addition, during 1972, the company paid £7.5m. as the cash element of the consideration for the capital of Crabtree Electrical Industries.

This expenditure, together with the group's working capital requirement, which has increased due to the effects of expansion and inflation, has hitherto been financed out of retained profits and from medium- and short-term borrowings. Although further capital expenditure estimated at £5.4m. is planned for the current year, the peak of the present programme has now passed, and by the end of next February, future commitments will be at a substantially lower level, members are told.

Subject to an increase in the authorised capital and to the Stock Exchange admitting to the *Official List the new shares to* be offered, such shares will be provisionally allotted to Ordinary holders and holders of the 6 per cent. convertible loan stock 1992-97 registered on May 14. The basis for loan holders is one new Ordinary share for every £7.1896 in nominal value of stock then held.

An explanatory letter, together with notice convening an extraordinary meeting to be held on June 13 will be despatched today. It is intended that renounceable provisional allotment letters will be posted on June 13.

See Lex

## Minimal decline at F .G. Gates

MAIN FORD dealers, Frank G. Gates, reports 1974 turnover little changed at £10.89m., against £10.93m., and a marginal decline *in profits from* £513,746 to £488,182 before tax of £267,717 compared with £261,147.

*Earnings are shown to be down* from 15p to 13.1p per 25p share. The net dividend is held at 3.85875p.

## Liner Concrete little changed at midterm

IN the six months to February 28, 1975, turnover of *Liner Concrete* Machinery slipped from £2.6m. to £2.59m. and profits fell slightly *from £191,000 to £187,000 before* tax of £97,000 compared with £90,000.

The directors say that despite the sharp decline in the home market the half-year's figures show "a very satisfactory situation," with the expectancy that the progressive increase in *exports will give another good* second half.

The liquidity situation has been very well contained during the year with current group borrowings under £300,000, they add.

The interim dividend is lifted from 0.22p to 0.24p net. Last year's total was 0.603p paid from *taxable profits of £466,746.*

## Chamberlin and Hill doubled

After all charges including tax profit of light grey iron founders Chamberlin and Hill expanded from £114,805 to £227,254 for the year ended March 31, 1975. Turnover advanced from £2.84m. to £4.2m.

Earnings are given at 10.15p (5.13p) per 25p share and the dividend is lifted from 1.875p to 2.042p with a final payment of 1.142p net.

## Muirhead midway advance

FOR THE half year ended March 31, 1975, pre-tax profit of electrical and mechanical engineers, Muirhead shows a marginal advance from £410,000 to £431,000.

The interim dividend is 0.55p (same) net. Last year's total was 2.8265p from profits of £810,416.

The Board says that order books are at record levels and information obtained at the recent Muirhead International Exhibition leads to confidence that this position will be maintained.

| | Half year 1974-5 £000 | 1973-4 £000 |
|---|---|---|
| Sales | 3,648 | 4,369 |
| Interest received | — | 13 |
| *Interest paid* | 67 | 19 |
| Deb. interest | 36 | 37 |
| Assoc. loss | 13 | 21 |
| Pre-tax profit | 431 | 410 |
| Tax | 296 | 209 |
| Net profit | 135 | 201 |
| Minorities | — | 13 |
| Available | 135 | 214 |

## C. H. Johnson in improved position

Due to a marked recession in the paper industries during the first quarter of 1973 demand for the products of C. H. Johnson and Sons has softened appreciably and chairman Mr. H. M. Cross says that it would be foolhardy to forecast the group's prospects for the year.

The start-up costs associated with the group's expansion programme are taking their toll but through this programme the group is now in a much improved position to take advantage of opportunities as they arise.

During the past five years the value of goods exported has risen from £465,000 to £1,248,000 and now represents 46.8 per cent. of total sales.

Commenting on results for the year to December 28, 1974 Mr. Cross explains that profits were affected by a higher than normal depreciation burden attributable to a change in basis introduced to conform to the policies of other companies in the JWI group.

As reported on February 27 taxable profit for the year expanded from £232,699 to £296,096. The dividend total is maintained at 2.1p net.

Meeting, Manchester on June 11 at 12.30 p.m.

## BEAR BRAND

At meetings of Bear Brand all resolutions were duly passed and the agreement with the Department of Industry for the provision of finance has now come fully into force.

# Coalite leaps to £9.6m.

FROM TURNOVER of £49.28m. against £30.63m., taxable profits of Coalite and Chemical Products more than trebled from £2.84m. to £9.6m. in the year to March 31, 1975. At halfway the expansion was from £0.79m to £3.77m.

After tax up from £1.49m. to £5.01m., stated earnings show an increase from 1.169p to 3.969p per 10p share. The dividend is lifted from 0.564p to the maximum permitted 0.612p net with a final payment of 0.322p.

| | 1974-5 £000 | 1973/4 £000 |
|---|---|---|
| Turnover | 49,278 | 30,627 |
| Trading profit* | 9,292 | 3,138 |
| *Interest receivable* | 311 | 3 |
| Interest payable† | — | 290 |
| Profit before tax | 9,603 | 2,844 |
| Taxation | 5,010 | 1,481 |
| Net profit | 4,593 | 1,355 |
| Interim dividend | 335 | 284 |
| Proposed final | 373 | 385 |
| Retained | 3,885 | 700 |

* After depreciation £3,081,686 (£2,625,287). † On bank overdraft.

See Lex

## Investment Trust Corp.

Including franked investment income of £1.82m. against £1.71m., total income of the Investment Trust Corporation rose from £2.77m. to £3.04m. in the year to May 1, 1975, and pre-tax income increased from £2.33m. to £2.67m.

Tax takes £1.04m. compared with £0.85m. Earnings are shown to be up from 4.561p to 5.026p per 25p share and the dividend is raised from 4.08p to 4.527p net with a final of 3.12p.

The net asset value per share is shown as 201pxd (166pxd).

## RECENT ISSUES

### EQUITIES

| Issue Price p | Amount Paid up | Latest Renunc. Date | 1975 High | 1975 Low | Stock | Closing Price p | + or − | Div. | Times covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST STOCKS

| Issue Price £ | Amount Paid up | Latest Renunc. Date | 1975 High | 1975 Low | Stock | Closing Price £ | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### "RIGHTS" OFFERS

| Issue Price p | Amount Paid up | Latest Renunc. Date | 1975 High | 1975 Low | Stock | Closing Price p | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 90 | F.P. | 22/4 | 22/5 | | Steetley | 122 | +4 |
| 125 | Nil | — | — | | Tarmac | 22pm | +3 |
| 190 | F.P. | 29/4 | 1/5 | | Tube Invs. | 296 | +10 |
| 25 | Nil | — | — | | Western Selection | 12pm | +2 |

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p Pence unless otherwise indicated. n Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ¨ Issued by tender ✣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ✢ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.


Peerage OF BIRMINGHAM LIMITED

Extract from the Chairman's Report:

Profits have increased by over 16% and earnings per share are up from 3.91p to 4.87p.

Exports have increased by 45% and represented 55% of our total turnover.

All markets are however now suffering from some degree of recession and sales in 1975 may not show the usual growth, but it is thought that before the Autumn distributors will find themselves short of stock and a very busy second half may be in front of us.

| | 1974 | 1973 |
|---|---|---|
| Sales | £2,781,689 | £2,242,838 |
| Trade Profit | £302,925 | £261,040 |
| Profit after tax | £154,087 | £124,998 |
| Dividends on Ordinary Shares Nett | 12.336% | 11.251% |
| Dividend Cover | 3.89% | 3.53% |

Dulverton Road, Witton, Birmingham B6 7JD.


## RESULTS AND ACCOUNTS IN BRIEF

BURMA MINES—Total income 1974, £34,214 (£28,067), expenses £14,353 (£19,614), tax £7,189 (credit £825). Available for dividend £12,481 (£974). Net asset value per share excluding value of Burma claim 5lp (6lp). In view of increase in revenue and in order to retain investment trust status, dividend 0.093p per share (nil) £12,436. Also interim of 0.106p per share in respect 1975, £14,625. Directors do not expect level of revenue to be maintained [illegible]

GENERAL FUNDS INVESTMENT TRUST—Net revenue before tax for first quarter of 1975-76 £108,422 (£71,437 and £237,812 for year to January 13, 1975). Interim results not indicative of those to rest of year, say directors. Investments April 29 £10.37m., at market value (£3.29m. at January 15). Net asset value per 25p share 147p (88.2p) including 100 per cent. investment currency premium at 140.11p (84.4p) less 25 per cent. [illegible]

February 28, 1975. Tax £17,606 (£21,685).

MALAYALAM PLANTATIONS — As known interim dividend of 8.25p (same) absorbing £35,131 (same). No profit remittances received from India during the [illegible]

[illegible]


LILLEY GROUP

Pre-tax profits increased by 54%

Confident of further growth

**RESULTS**

Turnover exceeded £20 million for the first time and profit before tax was 54.1% higher than last year. This, taken in conjunction with the greater activities of the operating companies in Scotland, indicates that yet again a further increase in turnover will be attained in the current year.

**PROSPECTS**

The order book for local authority work in England is now at a record level. This, taken in conjunction with the greater *activities of the operating companies in Scotland, indicates that yet again a further increase in turnover will be attained in the current year.*

| Year ended 31st January | 1975 £'000 | 1974 £'000 | 1973 £'000 |
|---|---|---|---|
| Turnover | 20,298 | 15,160 | 11,015 |
| Profit before Tax | 1,621 | 1,052 | 617 |
| Profit after Tax | 798 | 550 | 360 |
| Net Dividend* | 1.662p | 1.5036p | 1.4p |
| Earnings per share* | 11.25p | 7.75p | 5.08p |

* *Adjusted for scrip issue made in June 1974.*

F J C LILLEY LIMITED
CIVIL ENGINEERING CONTRACTORS

*The Annual General Meeting will be held in Glasgow at 12 noon on Tuesday 3rd June 1975.*



Matthew Hall

International Engineering Group

*Highlights from the Statement of Sir Rupert Speir, Chairman.*

- All time record Group order book.
- *Profit before taxation in line with forecast. Total dividend for year increased to 8.06202p per share, the maximum permissible.*
- Substantial increase in Contracts in Oil, Chemical and Industrial Engineering should benefit future profits. ☐ Tremendous upsurge in activities. ☐ Major breakthrough into UK oil and gas markets. ☐ £120M North Sea Contracts. ☐ Major contractor to National Coal Board and well placed to participate in their planned expansion. ☐ Record new contracts and turnover in Australia. ☐ Expanded business and significantly improved results on Continent of Europe.
- Mechanical and Electrical Services have again performed very well and overcame adverse trading conditions. ☐ Increase in business with industrial customers. ☐ *North Sea air conditioning, pipework, fire protection, and electrical contracts.* ☐ Major contracts for iron and steel industry. ☐ Growth pattern in Australia.
- Future Prospects: 1975 should be a very successful year but high proportion of work load will still be in progress and profits thereon will not materialise in accounts until after 1975.

| Comparative Figures | 1974 £'000 | 1973 £'000 | 1972 £'000 | 1971 £'000 |
|---|---|---|---|---|
| Turnover | 70,109 | 56,348 | 32,107 | 29,493 |
| Capital employed | 6,688 | 5,699 | 4,198 | 3,888 |
| Profits before tax | 2,118 | 2,047 | 1,276 | 1,212 |
| Profits after tax attributable to company | 990 | 991 | 721 | 700 |
| Dividend per share | 8.062p | 7.166p | 6.825p | 6.5p |

the Matthew Hall Group

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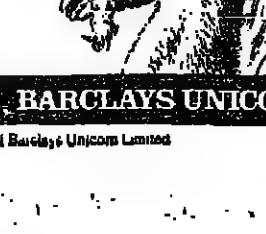

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MINING NEWS

# Australia votes for Fraser Island

BY KENNETH MARSTON

AUSTRALIA'S Parliamentary Labor Party, by a margin of one vote, yesterday upheld Monday's cabinet decision to grant export permits for rutile and zircon produced from sand-mining operations on Fraser Island, off southern Queensland, reports our Canberra correspondent.

The decision reverses the stand taken by the party last week that the issue of permits should be deferred pending the results of a public environmental inquiry, expected about August. Voting was reported to be 42-41, the narrowest possible margin, despite the vigorous intervention of the Prime Minister, Mr. Whitlam, and the Minister for Minerals and Energy, Mr. Connor.

For DM Minerals, the partnership between Dillingham and Murphyores, which has contracts worth $43m. at stake in the Fraser Island project, yesterday's decision leaves only one major hurdle.

This is a threatened ban on the scheme by Queensland trades unions. The conservationist lobby is working strenuously to have the Australian Council of Trade Unions support such action. Mr. Whitlam strongly criticised his Minister for the Environment, Dr. Cass, during yesterday's debate and there is widespread speculation that Dr. Cass may decide to resign from the Ministry.

## Eneabba funds

While Queensland continues to argue, Western Australia is looking forward to the fruits of the big new Eneabba beach sand minerals project there of Allied Minerals. It has, however, run into rising cost problems and a further $7.8m. is required on top of the original estimate of $16.2m. required to bring Enneabba on stream.

Accordingly, a $6m. long-term loan has been arranged and Allied Minerals intends to make a placing of up to 3.35m. shares. The latter proposal will be put to an extraordinary meeting on June 11. Allied Minerals were 55p cum-premium yesterday.

## NTH. KALGURLI

Having converted its treatment plant to deal with nickel ore supplied by other companies, Australia's North Kalgurli has been sending gold ore from its own Fimiston leases for treatment at the plant of Kalgoorlie Lake View. The latter, however, is reported to have said that it can no longer provide these facilities.

Accordingly, North Kalgurli has suspended gold production at Fimiston. It is talking with a number of companies with a view to testing the full potential of the Fimiston leases in order to re-establish full scale mining and treatment operations on a joint venture basis. North Kalgurli were 12p cum-premium yesterday.

Meanwhile, Western Mining says in its latest quarterly report that there has been some increase in stocks of nickel in line with a continued easing in demand for the metal. Commissioning of Western Mining's mineral sands mining and concentrating plant was started in the quarter.

## BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

**Interims:** John Carr (Doncaster), J. A. Devenish, Redfearn National Glass, Woodmill Property.

**Finals:** Beecham, Brunning Group, Farm Feed, W. G. Frith, International Combustion, Allan Kennedy, Leisure Caravan Parks, London and Lennox Investment Trust, McNeill Group, Plantation Holdings, Selincourt, Standard Fireworks, Term Consulate, Wedgwood, Wormalds Walker and Atkinson, Young and Co.'s Brewery.

FUTURE DATES

| | |
|---|---|
| **Interims:—** | |
| Arenson (A.) | June 10 |
| Caravans International | May 29 |
| Fenner (J. H.) | June 3 |
| **Finals:—** | |
| Burnett and Hallamshire | June 12 |
| Culter Guard Bridge | June 2 |
| Exchange Telegraph | May 29 |
| Group Lotus Car | May 22 |
| International Paint | May 29 |
| Western Bros. | May 28 |
| Wheway Watson | June 12 |

## TWO CANADIAN GOLD PROSPECTS

Good progress is reported by Quebec Sturgeon River Mines in the development of its two gold mining prospects, at Batchelor Lake in Quebec and Stock Township in the Timmins area of Ontario. So far, $C6.4m. has been spent on the two potential gold mines and arrangements are being made to raise a further $1.5m. via an issue of Debentures.

At Batchelor Lake, underground development is now sufficiently advanced to allow planning for a 730 tons of ore per day production, while indicated ore reserves to date are put at 967,046 tons grading 0.195 ounces (3.9 dwts) gold per ton.

Stock Township is estimated to hold 700,000 tons of ore grading 0.14 ounces (2.8 dwts) gold to a depth of 330 feet and the deposit is expected to be amenable to low-cost mechanised mining methods. A 24 per cent. interest in Quebec Sturgeon is held by Coniagas Mines.

## ROMAN CORPN'S HOPEFUL VIEW

Canada's Roman Corporation scents a return towards optimism and some hope on the part of the country's private enterprise which has survived the adverse political and economic developments of recent years. In his annual statement the chairman, Mr. Stephen B. Roman, adds that "we still believe in the free enterprise system which has created the best possible environment for Canadians."

In line with the company's intention to diversify from the natural resource field, the acquisition was made in November of Strathcona Paper. The latter is a leading producer of boxboard items, obtaining its fibre supply mainly from recycled waste paper.

Meanwhile, Roman Corporation's main interest is still the 26.8 per cent. stake held in the uranium-producing Denison Mines which raised 1974 profits by over 25 per cent.; Roman Corporation's earnings rose by 42 per cent. to 84 cents per share. Denison is now awaiting Canadian Government approval for a sale of 40m. lbs of uranium concentrates for delivery to Tokyo Electric Power Company during 1984 to 1993.

## Copper crunch

ONE OF the world's higher-cost copper producers now being hit by the low metal price is America's Copper Range which is proposing to merge with Amax. Costs at the Copper Range subsidiary, White Pine Copper, equalled 70 cents per lb last year. This is above the U.S. copper producer price of 63 cents and the current rate on the New York Commodity Exchange, where White Pine's output is sold, of around 56 cents.

The Copper Range president, Mr. Chester O. Ensign, thus pulls no punches in his comment that while the major copper consuming industries continue in a slump, "purchases of our products by our regular customers remain at low levels and the short-term outlook at the present time is not optimistic."

In the first quarter of this year Copper Range made a net loss of $1.3m., or 66 cents per share compared with a loss of 34 cents per share in the final quarter of 1974. At present Amax owns just on 20 per cent. of Copper Range which produced 67,000 tons of fire-refined copper from its Michigan operations in 1974.

Also finding the going hard is America's giant Kennecott Copper which produced 77,300 tons of copper in the first quarter of this year, but sold only 48,100 tons. Earnings dropped to 27 cents per share compared with $1.02 in the same period of 1974. Consequently, Kennecott is cutting its quarterly dividend to 30 cents from 65 cents.

BIDS AND DEALS

# Croda extends M-YH offer until May 30

BY DAVID BELL

Croda International, the oleochemicals and food group, announced last night that it is extending its offers for Midland-Yorkshire Holdings for 10 more days but that "they would not under any circumstances be extended beyond May 30 unless they have been declared or become unconditional by that date." The offer has been strongly resisted by M-YH.

Croda revealed that it now has acceptances in respect of about 47 per cent. of the voting shares, an increase of only 0.8 per cent. on that announced on May 9. It is estimated that Croda needs another 68,785 Ordinary or Preference shares to gain control.

The news of the extension of the offer brought an immediate reaction from Dr. E. R. Wallsgrove, chairman of M-YH. "I cannot understand why they do not go away. The loyalty of our shareholders has been very clearly shown. The institutions and most of the individuals have remained with us and I find it astonishing that they have extended the offer till May 30 without even making an improved offer."

In March Croda announced that it was bidding £8.1m. for M-YH after it had bought the 32.6 per cent. holding in M-YH held by the British Gas Corporation. Croda now has acceptances in respect of 241,898 Ordinary shares in addition to the 839,750 it already owned, which gives it 48.96 per cent. of the Ordinary. It has a mere 700 out of the 90,000 Preference shares.

## DALKEITH (CEYLON) HAS TO SELL

The Sri Lanka subsidiary of Dalkeith (Ceylon) Holdings has had to accept an offer from the Sri Lanka Government to take over the plantations as a going concern.

The price is to be determined by the Government valuer, and the Government has guaranteed meanwhile a minimum payment which is likely to be sufficient to pay current debts in Sri Lanka.

Income from the present U.K. assets of the holding company should enable a small dividend to be considered in respect of the current year provided no unforeseen developments take place.

## LADBROKE

Consideration for the acquisition by Ladbroke Group of the capital of Luton Stadium has been finally determined and an additional £312,548 of 8 per cent. guaranteed unsecured loan stock 1990-92 (with warrants to subscribe for 97,670 Ladbroke Ordinary shares attached) has been issued.

This stock, with the £360,000 loan stock already issued for the acquisition, ranks for interest from January 4, 1974.

## LABOUR PARTY SELLING CANNING GLASS HOLDING

The Labour Party said yesterday that it was to sell its holding of 60,000 sshares in Canning Town Glass Works. The holding is worth some £17,000.

The Party's finance committee decided at a meeting in London to sell off the shares, which were originally donated in 1963 by Lord Brayley, the company's former chairman.

Lord Brayley resigned as a Under-Secretary fo rthe Army last September after the announcement that Canning Town was to be the subject of a Companies Act investigation. He said at the time that he was confident the inquiries would show he had done nothing that was contrary to the law or improper.

Canning Town was recently taken over by Arthur Bell and Sons, the whisky concern, and only a relatively small proportion of the shares is still retained by minority holders. The shares were last night quoted unchanged at 29p.

The Labour Party is to reinvest the proceeds of its sale.

## SHARE STAKES

London and Manchester Assurance has become the beneficial holder of £132,000 Vickers 5 per cent. Preferred stock following the further purchase of £2,500 stock; total represents 20.27 per cent. of the stock. Interest in the 5 per cent. Preference stock remains at £192,000 (23.6 per cent.).

Interest of Mr. Malcolm Horsman in Lampa Securities now amounts to 283,566 Ordinary shares (17.8 per cent.).

Metal Products (Willenhall) has bought a further 2,750 Ordinary in Charles Clifford Industries.

Prudential Assurance has bought a further 3,000 Ordinary stock units in Laird Group to bring total holding up to 3,633,393 (10.06 per cent. of the capital).

Generale Occidentale S.A. and its subsidiaries have increased their holding in Anglo-Continental Investment and Finance by 963,002 Ordinary shares to 19,990,267 (38.2 per cent.).

S. W. Wood Group has bought a further 50,000 Ordinary shares in Concentric bringing total holding up to 2,389,000 shares (15.81 per cent.).

Mr. M. Joseph has sold 385,000 Ordinary shares in Giltspur to a family settlement, leaving a balance on his holding of 4,351,197 shares (24 per cent.). Mr. Joseph has no further interest in the 385,000 shares sold.

Labok Investment has acquired a further 213,774 Ordinary shares in Malit Securities to bring total interest up to 531,774 shares (28.67 per cent.).

Mr. I. A. Maher has acquired a further 65,917 Ordinary shares in Pentos. Total holding is now 1,283,417 shares (10.552 per cent.).

Mr. A. B. Garton and other directors and executives of Garton Cooper have purchased from Cooper Industries at market price, 401,000 Ordinary shares (12.5 per cent.) in Garton Cooper. Following this transaction Cooper Industries' investment in Garton Cooper amounts to 49.9 per cent.

Mr. G. S. Jevons, a director of Jevons Cooper, has purchased from Cooper Industries at market price 200,000 Deferred shares (12 per cent.) in Jevons Cooper. Following this transaction Cooper Industries' investment in Jevons Cooper amounts to 45 per cent.

## INSURANCE BROKERS MERGER

Pickford, Dawson and Holland, the insurance brokers and underwriting agents, have bought the Lloyd's brokers Charles Hewitt and Co. and the Scottish broking firm of Charles Hewitt (Insurance Brokers) based in Stirling.

Pickford, Dawson plans to use the acquisition to expand its Scottish activities and give greater service to existing clients. Mr. J. W. Hayter and Mr. P. R. Dodson are to join the Board of Charles Hewitt (Insurance Brokers).

## WINTON TRUST

Dawnay Day Group announces that the offers for the 3.85 per cent. (formerly 5.5 per cent.) Preference £1 shares and the 4.9 per cent. (formerly 7 per cent.) redeemable Preference £1 shares of Winton Trust (declared unconditional on April 15) are now closed.

## NO PROBE

The proposed merger between Norwich Union Insurance and Anglo Portuguese Bank is not to be referred to the Monopolies Commission.

# Enkalon expects to incur loss

FOLLOWING THE Flixborough disaster and the general position of the industry, British Enkalon "must expect a loss for 1975," the chairman Col. F. T. Davies, told yesterday's annual meeting.

He said that before the Flixborough tragedy the company was in a very strong financial situation. But the disaster, coupled with worldwide recession in fibres and the high level of low-priced imports, coincided with an escalation of labour and other costs due to massive inflation, had radically altered the position.

However, in spite of all the current problems, he was sure that the company was well poised to take full advantage of the upturn in trade "that would undoubtedly come."

Trade continued to be extremely difficult. An apparent improvement in the American market was in its very early stages and it would be some time before any similar tendency was seen in the U.K., probably not until well into the second half of 1975.

Regarding the "catastrophic effect" of Flixborough on the profit and cashflow of the company, "we are still in communication with the Government on the assistance that we hope to receive."

Although the company was obtaining sufficient alternative supplies of caprolactam, for present production, this had to be purchased from overseas and imposes additional costs due to the weakness of sterling and extra freight and process charges.

The imports of manmade fibres and textiles were at an unacceptably high level and at very low prices. So far, despite strong representations to the Government, the response had been negligible, the chairman stated.

## Kincaid jumps to £1.26m.

TAXABLE profits of marine engineers and boilermakers, John G. Kincaid and Co., jumped from £387,302 to £1,257,252 in 1974. Turnover expanded from £8.81m. to £10.56m. The tax charge is up from £204,510 to £660,662.

A final dividend of 13.194p makes a total of 18.194p (18.75p) for the year.

## EDWARD WOOD

Stanhope Finance has circulated shareholders of Edward Wood and Company inviting them to subscribe for new shares.


STOREYS

"The personal and home decor specialists"

**Confident start to the current year**

*Dr. David A. Harper, Chairman, addressing the Annual General Meeting reported on the current year as follows:–*

* "Unaudited figures for the first 15 weeks of this year indicated that we have traded at an appreciably better level of profit than in the second half of last year. This reflects the delivery of orders of the new Decorene range – the majority to export markets – some of which would have fallen into 1974 but for the delay in commissioning our new factory last year together with better-than-budgeted sales for other important parts of our product range.
* "I am therefore confident we shall produce reasonably satisfactory profits for the first half of this year.
* "Cash flow for the year to date has been good and has enabled us to reduce our borrowings further.
* "It nevertheless remains impossible to forecast meaningfully the likely outcome of the second six months in the light of present uncertainties as to the rate of inflation at home, levels of demand in our major markets and whether we remain in the Common Market".

Copies of the full report and Chairman's Statement may be obtained from the Secretary

STOREY BROTHERS & COMPANY LTD., White Cross, Lancaster


# Viking Resources progress

In the year ended March 31, 1975, net revenue of Viking Resources increased from £57,761 to £118,726 before a tax charge of £50,813 compared with a credit of £21,647.

The dividend is stepped up from 0.5p to 0.55p net. The net asset value is shown as 70p (105p) per 25p share.

In his annual statement the chairman, Mr. J. G. Gammell says that the year was most unsatisfactory from an investment viewpoint. The four-fold increase in the price of crude oil between the middle of 1973 and the end of 1974 undermined the economies of the Western Nations and triggered world-wide stock market declines.

In particular the U.K. was ill-equipped to cope with this and the collapse in the stock market here had a considerable effect on the company's investments. In the oil industry, despite declining demand, spectacular cost increases and price controls in every major market, profits were the best ever. Unfortunately the profit increases were not translated by investors into share price rises as they were seen as merely transitory.

The outlook for the oil industry in 1975 will be clear only when a stable world oil price is achieved be this at very high OPEC prices or a price more closely equated to long term discovery and development costs, he continues. It is satisfactory to have an apparent resolution to the U.K. taxation proposals, he says, but "we still await further clarification as to the final outcome over adverse tax and pricing policies evolving with the new U.S. Energy Policy.

"However, we can be certain that the long-term future for the international oil industry will be offshore rather than onshore and no other exploration area compares with the North Sea in drilling success rates, proximity to major markets and now, relative immunity to a serious fall in oil prices." The Board is confident that the future of development in the North Sea will fulfill the promise shown to date, he adds.


INTERIM STATEMENT

# Continued improvement from RHP

As I forecast in my Chairman's report for last year and at the Annual General Meeting in January the company's performance has continued to improve despite the general economic climate.

The continued improvement in earnings is derived from benefits we are obtaining from investment and reorganisation carried out in recent years. We have had the support of the Price Commission in regard to UK prices which has assisted us to generate profits needed to finance our capital investment programme to which we continue to attach the greatest importance.

Reflecting the world tendency to recession we have had some cutbacks in demand both from home and abroad. These have been absorbed without disruption and following a period of excess ordering last year our outstanding order book has been slimmed down to a more realistic basis. We now have some areas of under-utilisation of capacity, but in general forward order cover and new orders being received week by week provide us with adequate work for continued profitable operation of the company.

During the last six months we have shown that the profit earning capacity of RHP is not unduly vulnerable to the trade cycles of the UK automotive industry. Whilst our automotive business remains substantial and desirable, we have developed a policy of ensuring that the capacity devoted to this sector is governed by the generation of a reasonable profit rather than pure volume. Our ability to generate profits is principally dependent upon a much wider spectrum of engineering activities and bearing replacement business in 93 countries.

Despite the severe rate of inflation we continue to maintain tight control on liquidity, and borrowings to the end of the half year were virtually unchanged from those of the beginning of the year.

The second half year includes the holiday period, which must be taken into account when forecasting, but apart from this we expect to maintain earnings in the remainder of the year.

The Directors have decided to increase the interim dividend on the ordinary shares of the company by 12½% and declared a net interim dividend of 1.19p per share. This dividend amounting to £222,303 (1974 £187,032) will be payable on the 17th July 1975 to shareholders on the Register at close of business on the 20th June 1975. It is the Board's intention to increase the final dividend so that the total dividends for the year are increased by the maximum of 12½% permitted under the current legislation.

G.W. BARLOW
Chairman

| Unaudited results of the group for the 26 weeks to 28th March 1975 | 26 weeks to 28th March 1975 £000 | 26 weeks to 29th March 1974 £000 | 52 weeks to 27th Sept. 1974 £000 |
|---|---|---|---|
| Sales (outside the group) | 31,083 | 26,671 | 52,110 |
| Profit before charging interest | 3,643 | 1,881 | 4,257 |
| *Less:* Interest payable | | | |
| Bank and other short term borrowings | 201 | 479 | 784 |
| 8% Convertible Loan Stock | 316 | 345 | 662 |
| | 517 | 824 | 1,446 |
| Profit before tax and extraordinary items | 3,126 | 1,057 | 2,811 |
| Taxation | 1,674 | 540 | 1,421 |
| Profit before extraordinary items | 1,452 | 517 | 1,390 |
| *Add:* Extraordinary items (net of tax) | 55 | 307 | 362 |
| | 1,507 | 824 | 1,752 |
| *Less:* Preference Dividends | 22 | 22 | 44 |
| Profit attributable to Ordinary Shareholders | 1,485 | 802 | 1,708 |
| Earnings per share: | | | |
| Basic | 7·7p | 2·9p | 7·9p |
| Fully diluted | 6·0p | 2·5p | 6·3p |

rhp British precision bearings

Ransome Hoffmann Pollard Limited



GROUP PROFIT MAINTAINED IN 1974

L&P POSTER GROUP

*Highlights from the circulated statement of the Chairman, MR. N. H. GARDNER, T.D., B.A :*

Marginal increase in Group pre-tax profit from £1,260,453 to £1,288,013 and net profit attributable to Shareholders up from £583,498 to £663,216.

Maximum permitted dividend to be paid. Total for year 7.89p per 50p share against 7.12p for 1973.

Further progress and expansion in Australia with pre-tax profits up from £209,973 to £266,527.

Difficult to forecast future trading, but after a slow start in 1975 business is currently improving and we are looking at the months ahead with cautious optimism.

LONDON & PROVINCIAL POSTER GROUP LIMITED
78/86 Brigstock Road, Thornton Heath, Surrey, CR4 7JA



# THE INSTITUTE OF TAXATION

The Annual General Meeting of The Institute of Taxation was held in London yesterday. The President, Mr. Desmond F. Airey, F.C.A., F.C.C.A., F.T.I.I., referred to the difficulty of giving adequate and speedy advice in the present climate of reorganisation and rationalisation, due to the complicated and cumbersome charging and anti-avoidance legislation. In these days of more and more new taxes there were few among Revenue officials and taxation advisers who had a complete working knowledge of the whole tax system. Even specialisation could not be the full answer because most of our taxes were inter-linked and most practitioners throughout the country had to deal with a variety of tax matters and could not be spared for the luxury of specialisation.

If it became necessary for a new generation of practitioners to specialise the added recruitment to the profession would seriously detract from the availability of such persons to commerce and industry where they were equally needed, and this factor was one of the most understated costs of tax collection. If even more detailed legislation continued to be produced would this not lead to the situation where a breach of law would be generally acceptable or where new laws would have to be policed to an extent which could endanger our present concepts of freedom and justice?

Mr. Airey referred to the fact that the Insitute had 6,036 registered students, and he hoped that the new premises occupied since the end of 1974 would bring long-term benefits to the Institute.



INTERIM STATEMENT

WOOLWORTH

# Interim Report

**Three months ended 30th April, 1975**

The Board of Directors present the following unaudited statement of profit of the Company and its subsidiaries for the three months ended 30th April, 1975, with comparative figures for the previous financial year:

| 12 months ended 31st January 1975 £000's | | 3 months ended 30th April 1974 £000's | 3 months ended 30th April 1975 £000's | % Increase |
|---|---|---|---|---|
| 489,727 | Total turnover | 97,629 | 128,904 | |
| 28,030 | *Less* value added tax | 5,855 | 6,817 | |
| 461,697 | Turnover (excluding value added tax) | 91,774 | 122,087 | 33.0 |
| 38,437 | Trading profit before depreciation | 6,224 | 6,706 | 7.7 |
| 5,016 | *Less* depreciation of fixed assets | 1,118 | 1,203 | |
| 33,421 | Trading profit | 5,106 | 5,503 | 7.8 |
| 2,722 | Interest paid less investment income and interest and rents received | 433 | 519 | |
| 30,699 | | 4,673 | 4,984 | 6.7 |
| (50) | Profits on sales of properties, other than on sales and leasebacks, after adjusting for depreciation of investments | — | 12 | |
| 30,649 | PROFIT BEFORE TAXATION | 4,673 | 4,996 | 6.9 |
| 15,932 | Taxation | 2,430 | 2,600 | |
| 14,717 | Profit after taxation | 2,243 | 2,396 | |
| | Extraordinary items | | | |
| 3,433 | Surplus on sale and leaseback of properties less provision for taxation | — | — | |
| (3,099) | Provision for exchange fluctuations | (600) | 150 (see note) | |
| 15,051 | Profit after taxation and extraordinary items | 1,643 | 2,546 | |

Note: This gain of £150,000 due to exchange fluctuations up to the 30th April has since been eliminated by the recent rapid decline in the value of the pound.

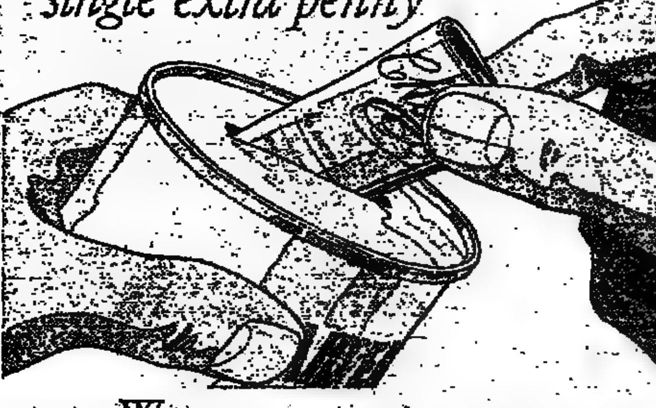
Sales and profits have been better than expected, assisted by the high level of consumer spending prior to the introduction of the 25% rate of VAT on the 1st May. However, profits continue to be affected by the very heavy increases in wages and other expenses, together with the competitive pricing policy we are pursuing.

F. W. WOOLWORTH AND CO., LIMITED
Woolworth House, 242/246, Marylebone Road, London NW1 6JL


مكتبة الأصل

# How to give more to charity

*without paying out one single extra penny*



When you have an account with the Charities Aid Foundation all monies in it are tax-privileged.

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If everyone who gave to charity would give from tax-privileged income, the value of charitable donations would increase enormously and charities would be able to solve many of their financial problems.

And, it would cost you not one single extra penny.

**Charity Credits – the simple way to make donations**

Drawing on your account with the Charities Aid Foundation is simplicity itself.

As an account holder you will be given a book of Charity Credits. All you do is to complete one as if you were writing a cheque. You then give it or send it to the charity of your choice. You can even put it into a collecting box in the case of a door-to-door collection.

The CAF then debits your account and credits the charity with the amount specified.

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FINAL DIVIDEND 1974

With reference to the announcement dated 16th May, 1975 regarding the FINAL DIVIDEND for the year 1974 on the shares of N.Fls.20 registered in the U.K. Section of the Amsterdam Register, Royal Dutch Petroleum Company announce that the rate of exchange fixed for the payment of the dividend is N.Fls. 5.5525 = £1. The gross amount of the dividend will be 81.045p per share and the amount of the 25% Netherlands Dividend Tax will be 20.261p per share: the net amount payable will therefore be 60.784p per share.

21st May, 1975 ROYAL DUTCH PETROLEUM COMPANY


# Successful year ahead for Matthew Hall

ALTHOUGH THE uncertain economic outlook, with continuing inflation, cannot be ignored, indications are that 1975 should be a successful year for Matthew Hall, says chairman Sir Rupert Speir.

However, a high proportion of the work load will still be in progress at the year-end and under the group's present accounting practice profits thereon will not materialise in the accounts until after 1975.

The year started with a record order book and so far trading has been satisfactory, reports Sir Rupert.

As reported May 2, group pre-tax profits for 1974 improved from £2.05m. to £2.12m. A "significant factor" not fully reflected in the results was the substantial increase in contracts in progress in the group's oil, chemical and industrial engineering business which should be of considerable benefit to future profits, says the chairman.

In 1974 Matthew Hall Engineering made a major breakthrough in the U.K. oil and gas market and secured over £120m. of North Sea contracts.

This "tremendous upsurge in activity" has necessitated the opening of regional offices in Manchester and Southampton. The future looks bright, with a world-wide demand for process plant engineering, particularly from the Middle East and aided by world-wide offshore exploration and production activities, says Sir Rupert.

At Holliday Hall (the electrical and instrumentation services offshoot) work in hand for 1975 is in a strong position and workload is expected to be well up on last year. A large order has been obtained recently covering services for an oil platform module and it is anticipated that further work of this type will feature significantly in the future.

The prospects in the fields of North Sea oil and gas exploration and production have provided Matthew Hall Mechanical Services with good opportunities to enter this sector. An air-conditioning, pipework and fire protection offshore group has been formed to deal with production platforms and currently MHMS is with other group members, working for Shell U.K. Exploration on their Brent "C" and Cormorant "A" platforms; and with Mobil Exploration Norway Inc. on Phase One of the Statfjord Field.

During the year there was a net cash outflow of £929,454. This reflects a decrease from £1,260,284 to £603,120 in short-term deposits, and a reduction from £447,891 to £173,601 in net cash balances—after deducting an overdraft of £513,565 (nil).

Meeting, Dorchester Hotel, W., June 16 at noon.

**Chairman's statement, Page 25**

## Upsurge at Turnbull Scott

AFTER ALL charges including tax but not depreciation, profits of Turnbull Scott Shipping jumped from £392,970 to £938,346 in the year to January 31, 1975. Depreciation takes £455,232 compared with £347,025.

There is a surplus on disposal of ships of £2,738,038 against £1,170,552. Tax on associate company profits is up from £8,804 to £37,810, and £497,900 (£78,000) is transferred to the tax equalisation account. Last year there was a tax adjustment of £307,196 relating to the increase in tax rate.

The final dividend is 4.414p net lifting the total from 7.75p to 8.414p.

## Napcolour well placed

Wholesale photographic processors, Napcolour, in which Charterhouse Group has a 35 per cent. holding, reports turnover up by 55 per cent. from £1.37m. to £2.13m. for 1974. Profit before tax fell from £276,561 to £222,161 but a lower tax charge of £85,791 against £141,080, leaves net profit up slightly from £133,481 to £136,370.

Extraordinary debits of £86,887 (£48,412) leave the available profit down from £87,069 to £49,483. The dividend is the maximum permitted 30.39p (27.2p) net, costing £32,731 (£29,104).

Mr. C. Plant, chairman, says that during the year the company had to overcome the power strike and the three-day week, the resultant delay in installing new processing equipment, and an extreme shortage of chemicals which affected the production process. In common with other U.K. photo-finishers, the introduction of the new Kodak technology also gave rise to difficulties.

Reorganisation following the acquisition of the business of Rhyl Photo Finishers is now complete and extensive reorganisation is under way at Photo Laboratories (London)—now Napcolour (London)—which was acquired last June.

For the current year Mr. Plant anticipates that Napcolour, with its area of operations virtually doubled and its production facilities largely reconstructed, is well placed to take full advantage of market potential. It remains a high priority for the company to obtain a Stock Exchange listing when market conditions permit and this objective is kept under regular review.

Meeting, Chester, on May 29 at 2.30 p.m.

## Advance at Maurice James

In line with the forecast of not less than £320,000, taxable profits of Maurice James Holdings finished 1974 at £344,711 compared with £223,282 after rising from £112,000 to £182,000 in the first half.

Earnings are shown to be up from 2.47p to 3.31p per 10p share. Interim dividends totalling 2.412p (2.174p) net have already been paid.

The group's interests include road haulage, paper sack manufacture, and waste disposal.

| | 1974 £ | 1973 £ |
|---|---|---|
| Group turnover | 2,829,798 | 1,794,460 |
| Trading profit | 256,690 | 166,024 |
| Investment income | 86,451 | 57,258 |
| Profit before tax | 344,711 | 223,282 |
| Corporation tax | 154,102 | 71,600 |
| Deferred tax | 27,334 | 31,641 |
| Extraordinary credits | 313,247 | 34,667 |
| Minority interests | 956 | — |
| Leaving | 475 566 | 154,728 |
| Dividends | 124,529 | 66,998 |
| Retained | 351,037 | 87,730 |

## London & Lennox

Net revenue of London and Lennox Investment Trust fell from £129,015 to £119,606 for the year ended March 31, 1975. At half-way the decline was from £60,680 to £51,028.

Earnings per 25p share are stated at 1.783p (adjusted 1.924p). The dividend is raised from 1.5p to 1.65p with a final payment of 1.3p.

Net asset value per share is 50p (62p).

| | 1974/5 £ | 1973/4 £ |
|---|---|---|
| Gross revenue | 267,963 | 330,627 |
| Investments inc. | 289,798 | 239,679 |
| Interest received | 78,165 | 100,196 |
| Tax | 73,371 | 91,292 |
| Net revenue | 119,606 | 129,015 |
| Dividends | 109,073 | 98,309 |

# BICC cuts short borrowings

A VERY difficult and challenging year faced British Insulated Callender's Cables, but one advantage of the reduced level of business and the reduction in stocks had been the fall in Group short term borrowings, Mr. W. Fraser, the chairman, told the annual meeting.

He said that "very tight housekeeping" has reduced short-term borrowings to about £30m. less than their peak in mid-1974. However, on a comparable basis attributable earnings (excluding extraordinary items) for the first quarter were about 20 per cent. lower than the first quarter of last year.

Mr. Fraser said the drop was largely accounted for "by increased financial charges as, despite the reduction in our borrowings, the drop was accentuated during the latter part of the quarter, the rest being due to higher unit costs arising from lower volume and increasing inflation not yet reflected in selling prices."

The chairman said that demand for enamelled wire which was used in many domestic appliances, and cars fell sharply but neither the wiring and general cable nor the power cable business suffered any noticeable decline in demand, and very large single orders were received by both the supertension cable and the telephone cable units.

"My colleagues and I are firmly of the opinion that we must remain in the European Community and utilise all our resources and skills in making the best use of the potential which it makes available to us," Mr. Fraser told the meeting.

## New Court Trust sees recovery

Taxable revenue of New Court European Trust declined from £549,386 to £135,618 during the six months to March 31, 1975, and the directors anticipate that at the net level, revenue for the full year will be broadly similar to last year's £485,965, due to higher income during the current half year.

The interim pre-tax revenue is struck after currency loan interest charges down from £361,696 to £109,971. Tax takes £69,753, against £294,140, leaving £65,835 net, compared with £255,226.

As with previous years there is no interim dividend and the directors say that a single payment for the year will be considered in December. The previous year's payment was 1.9p.

Net asset value per 25p share decreased from 70.3p to 67.6p at March 31. It was 60.8p on September 30, 1974.

The directors say that during the half year more funds were invested in equity markets and the trust benefited both from the rise in share prices worldwide and the increase in the investment currency premium.

The revenue was reduced primarily due to interest cost of foreign currency borrowing to finance the increased level of investments. Income from cash deposits was also reduced, reflecting an easier trend in international interest rates.

## Peerage achieves forecast

The improved profit forecast by the directors of Peerage of Birmingham, makers of furnishing and ornamental brassware, turns out to be a record £302,925 pre-tax, compared with £261,040.

Stated earnings per 10p share are 4.·p, against 3.91p. The maximum dividend of 1.2338p net (1.1251p) has already been paid.

At halfway, when the forecast was made, pre-tax profit was up from £96,000 to £113,000.

| | 1974 £ | 1973 £ |
|---|---|---|
| Turnover | 2,781,680 | 2,242,836 |
| Pre-tax profit | 302,925 | 261,040 |
| Tax | 148,858 | 137,742 |
| Net profit | 154,067 | 123,298 |
| Extraordinary debit | 24,557 | *1,700 |
| Retained | 109,847 | 89,546 |

* Credit.

**Statement, Page 25**

## Stockholders Invest plans 100% scrip

To increase the marketability of the Ordinary shares, Stockholders Investment Trust proposes to subdivide each 50p share into 25p shares; and this will be followed by a one-for-one scrip issue.

To reduce disparity an interim dividend up from 1.5p to 2.5p net is declared in respect of the year ending October 31, 1975. It does not necessarily indicate an increase in the total—5.5p for 1973-74.

Sub-division and dealings in the shares will become effective on July 14.

## Macfarlane Clansman

Shareholders of Glasgow based Macfarlane (Clansman) were told at the annual meeting by Mr. Norman Macfarlane, chairman, that the 1975 sales to date were ahead of the corresponding period of last year.

He warned, however, that there were indications in some sectors that it might be difficult to maintain the improvement level during the latter months.

With a strong balance sheet the company was maintaining a healthy cash flow by exercising stringent financial discipline and control. This had been helped greatly by the stock relief legislation which deferred cash payment by over £50,000 in 1974 and would defer payment of a further £150,000 later this year. The Board felt it was well placed to maximise further growth and build up the stock achieved.


*All of these Securities have been sold. This announcement appears as a matter of record only.*

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# INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Sidmar postpones plans to double steel capacity

BY DAVID CURRY

BRUSSELS, May 20.

THE DECLINE in the economic climate has forced the Belgian steel producer Sidmar to postpone an investment programme aimed at virtually doubling its capacity.

An investment programme to raise capacity to 3.2m. tonnes a year by 1976 is already under way at a cost of some B.Frs.6.9bn. (£83m.), while a further programme to increase it further to 3.5m. tonnes at a cost of an additional B.Frs.2.76bn. has been approved, though implementation is unlikely in the immediate future because of the poor situation in the steel industry. However, a project to push up capacity to 6.5m. tonnes at a cost of between B.Frs.20bn. and B.Frs.40bn. has been deferred, though the company says "the dossier has not been closed."

Sidmar's principal shareholders are the Belgian steel company Cockerill and the Luxembourg steel group Arbed, in both of whom Societe Generale de Belgique is the leading shareholder. Both these two steel groups went nto or near to losses in the first quarter and Cockerill is thought to be expecting a first half loss. The Sidmar plan was for the additional 3m. tonnes to be shipped as semi-finished product to Arbed and Cockerill.

Sidmar's performance in 1974 was dominated by the fact that from August it was operating with only one blast furnace while the other was rebuilt and enlarged. This meant that it could not take full advantage of the generally good conditions for the industry last year, and steel production was down from 2.55m. tonnes the previous year to 2.26m. tonnes. However, thanks to heavy stocking of ingots and buying-in of semi-products, deliveries were ahead of the previous year at 1.95m. against 1.82m. tonnes.

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The company notes in its annual report that the first quarter was particularly favourable because the rise in steel prices was greater than that for raw materials. The latter started to accelerate in price in the second quarter when steel prices were at their peak.

However, the absence of spectacular profits is put fairly and squarely at the door of the wages bill. Wage costs were 38.39 per cent. higher in 1974 than the previous year, partly inflated because the work-force was expanded. The rise in hourly wage costs is put at 26.53 per cent.

A bonus for the company was the movement of currencies since raw materials were purchased in dollars. Over this period the Belgian franc performed very strongly against the dollar.

Despite its inability to take full advantage of last year's conditions the company pushed up turnover, helped by the rise in the prices of steel over the first half of the year, to B.Frs.22.9bn. (£275m.) against B.Frs.15.7bn. Cash-flow was B.Frs.5.57bn.—some 28 per cent. higher—while depreciation was B.Frs.4.41bn. against B.Frs.3.5bn. Stocks were B.Frs.1bn. higher at B.Frs.4.86bn. and the distributable profit was B.Frs.814m. against B.Frs.657m.

## Siemens aims to expand medical technology sales

BY GUY HAWTIN

FRANKFURT, May 20

THE MEDICAL technology division of Siemens plans to increase its turnover by 21 per cent. to DM1.7bn. during the current business year which ends on September 30, after a 20 per cent. gain in 1973-74.

Medical technology is a very fast growing area of speciality. According to Siemens world wide turnover in this sector is forecast to grow by between 9 and 10 per cent. a year up to 1980. Total world sales, for all operators in the field, totalled DM8.6bn. in 1974 but this is forecast to rise to DM14.9bn. by 1978.

One attractive feature of the sector from the commercial point of view is that it is virtually independent of the economic development of the rest of the economy—demand for medical technology, generally speaking, being non-cyclical.

Siemens is Europe's largest manufacturer in the sector. It claims a 12 per cent. share of the world market and its products are sold in over 100 countries. Some two thirds of the division's turnover is generated overseas.

The U.S. is a vital market for Siemens and the division expects to open a factory in Connecticut in October this year. The aim is that within the first five years the new factory's output will rise to about $10m. Against this the division's 35 outlets record sales of about $100m. a year.

Some two-thirds of Siemen's medical business is in the area of X-Ray technology including the new nuclear technology. Some 16 per cent. of turnover comes from the "electro-medicine" field, while 13 per cent. is generated in the dental technology area. Hearing aids, of which Siemens is one of Europe's three largest manufacturers, account for only 2 per cent. of business.

Some 20 per cent. of world production of X-Ray apparatus is attributable to Siemens and in Europe the concern holds a 20 per cent. share of the market. In the nuclear technology sector, where the field's fastest growth rates are foreseen, the German concern is working in co-operation with two American concerns—Ohio Nuclear and Applied Radiation Corporation.

## Enka gives 1974 profit figures

AMSTERDAM, May 20.

AKZO'S FIBRES division Enka Glanzstoff earned Fl.89.1m. net in 1974 on sales of Fl.3.7bn. Chemical fibres output last year amounted to 465,000 tonnes and sales 436,000 tonnes.

This is the first time these profit figures have been published. They appeared in Enka's staff journal, but no comparisons were given. The company said it plans to publish figures every year from now on.

The Board says Akzo's recent first quarter figures clearly show Enka operated at a loss in the first quarter. The 1974 net profit was not unreasonable in view of the problems of stagnating sales, rising stocks, production cuts and short time working, particularly in the second half, it added.

Reuter

## Dollfus-Mieg sales warning

By Giles Merritt

PARIS, May 20.

FRANCE'S LARGEST selling textile concern, Dollfus-Mieg et Cie (DMC), has announced that consolidated net earnings for 1974, including minority interests, rose by Frs.37.7m., against the group's 1973 net profit of Frs.24.8m.

But, in a warning against the French Government's continued deflation policies, the DMC management has stated in a letter to shareholders that the group has suffered a serious drop in business since September last year and that only a rapid improvement in France's economic climate can prevent a continuingly poor performance by DMC beyond this summer.

The textile group revealed that turnover during the first quarter of this year fell to Frs.534m. from Frs.547m. in the first quarter 1974. And although for the whole of last year DMC's sales were up around 25 per cent. over 1973, at Frs.2,099m., the group has already pointed out that during the first nine months of 1974 turnover was 33.9 per cent. up over the same 1973 period. But from September onwards, the deteriorating economic situation, aggravated by the lengthy postal strike in France which forced some of DMC's factories to reduce working hours, cut the yearly sales increase back sharply.

With 27,000 employees, the Dollfus-Mieg group is probably France's major textile exporting concern and has no doubt been partially insulated by the 45 per cent. of its sales that go abroad. In spite of late 1974's disappointments, the group has nevertheless been able to declare a marginal dividend increase and plans to pay Frs.6.65 per share rather than last year's Frs.6.00. At its AGM in June DMC is also to propose a one-for-ten free share issue.

● Thomson-Brandt is making a convertible bond issue priced at par comprising 979,600 bonds of Frs.190 each bearing a 7.75 per cent. coupon.

The bonds are convertible on a one-for-one basis, and reserved for shareholders on the basis of one bond for five shares.

Net consolidated group turnover in the first 1975 quarter was Frs.2.7bn. (2.58bn.).

## Concern grows over prospects for HISI

BY ROBERT GRAHAM

ROME, May 20.

THERE IS growing concern here in the Press that the recent Honeywell agreement with the French CII will mean a downgrading of Honeywell's Italian subsidiary, HISI. It is feared that the new Franco-American company will encroach on HISI's export markets which account for almost two-thirds of turnover. At present HISI produces medium size computers at two plants near Milan and Turin. The operation is a special one in the Honeywell empire because there is substantial local autonomous research activity and the computer models produced are designed locally. At present some 400 persons are involved in R and D.

Last year's turnover was L76bn. and the main direction of exports was to countries such as Israel, Yugoslavia and Iran. The fear is that it would not be in Honeywell's interest to retain such a sizeable operation in Italy which could at times be in competition with the newly organised French company. But HISI could end up as a mere commercial operation.

The situation however is complicated further by the fact that HISI grew out of the one serious Italian attempt to enter the international computer market. HISI was originally set up by Olivetti but was hived off in 1968 in a major company restructuring. Since then Olivetti has on occasions let drop hints that it was a mistake to have pulled out of computers. Indeed in the past two years, on a highly selective basis, Olivetti has begun to move in to the field of mini-computers.

Although there is no hint yet of a renewed Olivetti interest in HISI, there have been calls for state intervention to ensure that activity continues at its current level. The communist party newspaper L'Unita, for instance, this week published an article attacking the lack of government initiative in the computer field, saying that Honeywell's new French company further threatened Italy's limited presence in advanced technology.

## Fairchild moves into consumer products

BY CHRISTOPHER LORENZ

AFTER YEARS of prevarication, one of the world's largest semiconductor companies, the U.S. Fairchild group, is taking the plunge into the production of complete microcircuit-based consumer products.

Instead of calculators, which were long expected to be Fairchild's entry point into consumer products, the corporation's President and Chief Executive, British-born Wilfred J. Corrigan, says digital watches will provide "our initial thrust into consumer electronics."

"Other electronic products aimed at the consumer market will be introduced later this year and in 1976," Mr. Corrigan said.

Fairchild has a tough fight on its hands. It is wisely avoiding the calculator market, which has become a bloody battleground since 1973, with one major company after another entering the fray. But Rockwell and Texas Instruments, two of the other top four world semiconductor makers, are well ahead of it in digital watches, and with fierce competition from established watchmakers such as Timex, the market is already starting to enter a price war of calculator-like intensity.

Fairchild's decision to "integrate forward" from electronic components into complete electronic products follows several setbacks in its previous policy of strengthening its foothold in the consumer market solely by selling its microcircuits to major customers: Polaroid's recent camera problems had an impact on Fairchild in particular.

In the past month Fairchild has bought a California-based maker of digital watches and components, Exetron, and Princeton Materials Science, a manufacturer of liquid-crystal displays. The latter purchase suggests that Fairchild's other products will be in the entertainment sector.

## S. S. Kresge expansion

Troy, Michigan, May 20.

S.S. KRESGE COMPANY reports unchanged first quarter (to April 30) earnings per share of 16 cents. Net income improved marginally to $19.5m. from $19.1m., from sales of $1.35bn., up from $1.14bn. previously.

The company operated 1,382 stores in the period against 1,266 last year.

Kresge expects to open an additional 130 K-Mart discount department stores in the year ending January 31, 1976, matching last year's construction programme.

The company said its retailing operations continued to be affected in the first quarter by the recession, with sales in April down from a year ago.

However, sales increases in first part of May have been "encouraging." Merchandising plans for the balance of the year were made in expectation the promised upturn in the economy may not come as soon, or be as vigorous, as forecast.

"With merchandise in most lines in ample supply," Kresge added, "We are confident we can meet our merchandising needs as required."

Meanwhile, from New York J. C. Penney Company discloses a first quarter to April 26 earnings slump to five cents from 39 cents a share. Net income was $3m. against $22.9m. from sales of $1.49bn. ($1.45bn.).

Net income was reduced by 11 cents a share, against 7 cents a year ago, by the change to LIFO.

Penney expects improved sales and earnings in the second half of the year ending January 25 and particularly the fourth quarter despite the 86.8 per cent. decline in first quarter earnings.

Chairman Donald V. Seibert told the annual meeting that Penny's gross margins fell during the first quarter, and on a comparative basis, the company's stores actually recorded a 3.9 per cent. sales decline for the first 13 weeks of fiscal 1975.

Its $262.5m. capital spending programme this year, which is level with 1974, has not been revised, but Penney has decided "to postpone its planned catalogue expansion" on the West Coast.

Reuter

## Bruxelles-Lambert values

BY DAVID CURRY

BRUSSELS, May 20.

THE BREAK-UP value of the Compagnie Bruxelles - Lambert pour le Finance et l'Industrie rose to B.Frs.2,865 per share at the end of May against B.Frs.2,441 per share at the close of the 1974 financial and calendar year. At the end of March this year the break-up value per share was B.Frs.2,441, indicating that the company has maintained the momentum it built up over the first quarter.

The break-up value of the company had been depressed at the end of last year by the need to write-down the per-share value by B.Frs.125 because of the nationalisation of a Zaire brewery operation in which the group had been involved.

The company's airthmetic was also affected by the insistence of the Commission Bancaire (banking commission) that the company had to show the increased value of its headquarters in the balance sheet. At the annual meeting Baron Lambert, the group's president, complained that the same result could have been achieved without usurping the functions of the board by keeping the increase in value out of the balance sheet and reducing by the same amount the depreciation on portfolio holdings.

## SELECTED EURODOLLAR BOND PRICES
### MID-DAY INDICATIONS

| STRAIGHTS | Bid | Offer |
|---|---|---|
| Amax 8½pc 1986 | 99 | 100 |
| Ashland 8pc 1987 | 92¼ | 93¼ |
| Austraswiss 9pc 1987 | 90½ | 91½ |
| BFCE 9pc 1989 | 93½ | 94½ |
| Borregaard 8½pc 1989 | 95½ | 96½ |
| Carrier 7pc 1987 | 90½ | 91½ |
| Conoco 8pc 1986 | 96 | 97 |
| Consd. Foods 7¾pc 1991 | 85 | 86 |
| Cutler Hammer 8pc 1987 | 92 | 93 |
| EIB 9¼pc 1985 | 101½ | 102½ |
| Esso 8pc 1986 Nov. | 97½ | 98½ |
| General Cable 8½pc 1987 | 90½ | 91½ |
| General Motors 8¾pc 1986 | 102 | 103 |
| GTE 8¾pc 1986 | 97½ | 98½ |
| ICI 7¾pc 1992 | 78 | 80 |
| Nat. Grindlays 7¾pc 1987 | 74 | 76 |
| Pacific Light 8pc 1988 | 92½ | 93½ |
| Prov. of Quebec 7¾pc 1989 | 90 | 91 |
| Quebec Hydro 8½pc 1989 | 93½ | 94½ |
| Queensland 8½pc 1987 | 90 | 91 |
| Scanraff 8¾pc 1988 | 94½ | 95½ |
| Shell 8pc 1986 | 94½ | 95½ |
| Standard Oil (Inc.) 8¼pc '88 | 99½ | 100½ |
| Tenneco 7¾pc 1987 | 84½ | 85½ |
| Transocean 8pc 1988 | 97 | 98 |
| TRW 8¾pc 1990 | 95 | 96 |
| Utah 8pc 1987 | 92 | 93 |
| Volvo 8¾pc 1985 | 99 | 100 |
| **NOTES** | | |
| Air France 9¾pc 1982 | 102½ | 103½ |
| Aust. Ind Dev. 10¼pc 1981 | 104 | 105 |
| Barclays 7¾pc 1978 | 99 | 100 |
| Cie Nil. du Rhone 10pc '82 | 104½ | 105½ |
| Du Pont 7¾pc 1975 | 100 | 101 |
| Esso 7¾pc 1978 | 100 | 101 |
| General Motors 8¼pc 1978 | 101½ | 102½ |
| Marubeni 9¼pc 1982 | 102 | 103 |
| Nippon Fudosan 10¼pc 1981 | 104 | 105 |
| Skand. Enskilda 10¼pc 1981 | 104½ | 105½ |
| Tenneco 7¾pc 1979 | 96½ | 97½ |
| Tokyo Curecao 10¼pc 1981 | 104 | 105 |

Source: White Weld Securities.

| CONVERTIBLES | Bid | Offer |
|---|---|---|
| American Express 4¼pc '87 | 82 | 84 |
| Ashland 5pc 1988 | 76 | 78 |
| Beatrice Foods 4½pc 1992 | 87 | 89 |
| Beatrice Foods 4½pc 1992 | 98½ | 100½ |
| Borden 5pc 1992 | 90 | 92 |
| Broadway Hale 4½pc 1987 | 72 | 74 |
| Canon Camera 7¼pc 1990 | 93 | 95 |
| Carnation 4pc 1987 | 92 | 94 |
| Chevron 5pc 1988 | 93 | 95 |
| Dart 4¾pc 1987 | 87 | 89 |
| Eastman Kodak 4½pc 1988 | 119 | 121 |
| Economic Labs. 4¾pc 1987 | 80 | 82 |
| Fidal 7¼pc 1989 | 102½ | 104½ |
| Ford 6pc 1986 | 83 | 85 |
| Ford 5pc 1988 | 76 | 78 |
| Full 8¾pc 1985 | 114 | |
| General Electric 4¼pc 1987 | 83 | 85 |
| Gillette 4¾pc 1987 | 82 | 84 |
| Gould 6pc 1987 | 92 | 94 |
| Halliburton 4¼pc 1987 | 119 | 121 |
| Harris 5pc 1992 | 68 | 70 |
| Hitachi 6¾pc 1984 | 107 | |
| Honeywell 6pc 1986 | 77 | 79 |
| ITT 4½pc 1987 | 69 | 71 |
| Komatsu 6¾pc 1984 | 103 | |
| J. Ray McDermott 4¾pc '87 | 125 | 127 |
| Mitsui 6¾pc 1989 | 138 | |
| J P Morgan 4¾pc 1987 | 125 | 127 |
| Motorola 4¾pc 1983 | 138 | |
| Owens Illinois 4½pc 1987 | 87 | 89 |
| J. C. Penney 4½pc 1987 | 88 | 90 |
| Pioneer 6pc 1989 | 115 | 117 |
| Rand Selection 6¾pc 1986 | 104 | |
| Rank 4¼pc 1992 | 43 | 45 |
| Revlon 4¾pc 1987 | 102 | 104 |
| Sperry Rand 4¼pc 1987 | 99 | 101 |
| Squibb 4¾pc 1987 | 86 | 88 |
| Toshiba 6¾pc 1985 | 117 | 122 |
| Union Carbide 4½pc 1982 | 113 | 115 |
| Warner Lambert 4¾pc 1987 | 96 | 98 |
| Warner Lambert 4¾pc 1988 | 84 | 86 |
| Xerox 5pc 1988 | 76 | 78 |

Source: Kidder, Peabody Securities.

## Canon uncertain on profit outlook in near future

TOKYO, May

CANON INC. is uncertain if it can attain its previously announced target of a Y400m. after-tax profit for the six months ending June 30, managing director, Mr. Ryuzaburo Kaku, said.

He added that Canon is still trying to recover from the impact of poor business in electronic desk-top and personal calculators in the last six months, when after-tax profits dropped sharply to Y323m. (Y982m.).

Canon hopes to improve its profit position by the next six months to December 31 but, if the Yen appreciates further to make exports less profitable, the improvement will have to be delayed another six months, he said.

At one stage Canon thought of withdrawing from calculator production but decided to continue since if it could not succeed in this area it would be unable to enter any other new knowledge-intensive industry.

Canon erred in producing 90 per cent. of parts at its own plants, while competitors depended heavily on low-wage subcontracting, and in its policy in purchasing integrated circuits, Mr. Kaku said.

These errors have been corrected and production of desk-top and personal calculators, cut to 110,000 units monthly from 160,000 units last term, will soon be raised to 210,000.

Canon has announced new models, produced at competitive costs, but for the time being its policy is to make the calculator business avoid loss rather than make profits and to wait until many other competitors retire from the arena, said Mr. Kaku.

Competition in the Japanese calculator market is as int[...] as in the camera market i[...] 1950s when seven makers [...]vived out of more than 50.

Current camera busi[...] which accounts for more th[...] per cent. of Canon sales, grown satisfactorily with th[...] production of new models, as Datomatic and [...] cameras.

The proceeds of Canon's $[...] convertible debenture issu[...] London last June has been mainly to expand overseas and production networks.

This included the constru[...] of an electronic calculator [...] in Los Angeles and a joint [...]ture for the manufactur[...] copying machines in Austra[...]

Canon also plans to star[...] porting copying machines to [...] U.S. in the near future, Mr. [...] added.

Reuter

## Eurobond issues pick up

BY MARY CAMPBELL

WITH THE further falls in U.S. interest rates, conditions on the Eurobond market continue to improve. Arrangements for the Copenhagen Telephone issue were completed last night with the amount raised from 15m. to 20m. units of account. A coupon cut was also expected, from 9¾ to 9½ per cent.

In the dollar sector, Bank of Tokyo has announced a $30m. issue and Hammersley a $25m. issue. The Bank of Tokyo issue, for which the lead manager is Kuwait Investment Company, offers 9¾ per cent. on a five-year maturity, while the Hammersley issue offers 10 per cent. on a seven-year maturity. Another dollar issue expected in the near future is for the Japanese company Komatsu, with Merrill Lynch as lead manager. A listing for this issue, which will be a convertible, is expected on the American Stock Exchange.

Another prospective borrower is thought to be the U.S. company Gould. The exact timing on this is as yet undecided. Lead manager would be Kidder Peabody, market sources say.

Mitsubishi Chemical has announced plans for a Sw.Frs.50m. offering with Swiss Bank Corporation as lead manager. The issue would offer an 8¼ per cent. coupon and be placed in mid-June, Reuters reports from Tokyo.

In the D-mark sector, announcement of a DM100m. issue fo[...] Swedish Investment Ban[...] expected in the near fu[...] Maturity would be eight y[...] coupon 8¾ per cent. and manager Dresdner Bank. [...] issue for Voest is also exp[...] soon.

Formal announcement [...] Frs.125m. issue for the [...]pean Coal and Steel Comm[...] on the French franc fo[...] bond market was expected [...] night. Coupon here was a[...]pated to be 10 per cent., ma[...] seven years and lead ma[...] Banque de Paris et des [...] Bas.

In the guilder sector [...] Fls.60m. placement for the [...] of Oslo is expected on June [...]

**Company Results**

## Consolidated Edison forecast

● Consolidated Edison Company of New York said it expects 1975 earnings will be higher than last year's $2.68 a share.

● Avions Marcel Dassault Breguet Aviation has proposed a 1974 total dividend of Frs.10.50 (Frs.7.50).

● Cie Francaise des Petroles reports net 1975 first quarter turnover of Frs.3.18bn. (Frs.4.11bn.).

● Pernod-Ricard reports a net 1974 profit of Frs.64.9m. (no comparison but 1973 net profits for Ricard were Frs.52.5m. and for Pernod Frs.37.7m.

● The following companies reported net 1975 first quarter turnover: Credit Foncier de France Frs.1.02bn. (Frs.1.17bn.); Comptoir des Entreprenuers Frs.438.4m. (Frs.378.4m.) and Librarie Hachette Frs.282.3m. (Frs.242.8m.). (Frs.242.8m.).

● Jacques Borel International's gross billings last month were up 25 per cent. at Frs.78.4m. compared with Frs.62.7m. in the same month of 1974.

Gross billings in the first four months of this year were up 27 per cent. at Frs.305.1m., against Frs.240.3m. in the same period last year.

Main growth areas in the first four months were West Germany (billings up 264 per cent. on same 1974 period), Belgium (up 135 per cent.), and Spain (up 87 per cent.). Best sectors in France were motorways (up 39 per cent.), and meal vouchers (up 34 per cent.).

● SEB expects 1975 consolidated net turnover to be over Frs.1bn. (Frs.921m. in 1974). SEB shares will be quoted on the Paris Bourse from May 27.

Profits are expected to remain satisfactory in view of the extension of product lines and research into new product development.

Net profit was Frs.36.1m. in 1974 (Frs.22.6m.) and total 1974 dividend Frs.6.75 (no comparison).

SEB, 15.92 per cent. owned by the Lescure family, 4 per cent. by employees and 4 per cent. by other private shareholders.

From May 27 the stake of the Lescure family will be reduced to 71 per cent. of its Frs.222m. capital.

● Du Pont de Nemours (Deutschland) GmbH, incurred a net 1974 loss of DM20.1m. (DM32.9m. profit). Sales were DM1bn. (up 7.4 per cent.) including a 3.3 per cent. rise in domestic sales and a 13.1 per cent. rise in exports. Fixed asset investment was DM50.1m. (DM34.9m.) and depreciation was DM30.2m. (DM31.2m.).

Sales fell 15 per cent. in the first quarter of 1975 compared with the same 1974 period but are expected to be around last year's level in the year as a whole, the company said.

● UDC Holdings reports a taxed profit before exceptional items of R1.66m. (2.73m.) for the year ended March 31. Profit before tax was R2.54m. (3.83m.), tax R410,000 (958,000) and minorities R47[...] (126,000). Earnings per share to 9.84 cents (17.0).

The final dividend is 2.5 (5.5) to shareholders on re[...] at June 6 making a total 2.5 (8.5).

The company anticipates improvement in profits this [...] The fall in profit last year due to a reduced contrib[...] from UDC Bank which arose [...] the unprecedented rise in bo[...]ing costs caused by the liq[...] squeeze.

● United Dominions Corpo[...] consolidated net operating [...] fell to $A1.28m. (2.32m.) for year ended March 31. A [...] dividend of 7.5 per cent. [...] cents per share), making a [...] changed 15 per cent. for the [...] is payable on June 27.

Depreciation was $A[...] (76,000) and taxation $A[...] (2.35m.). An abnormal net [...] excluded from operating [...] was $A357,000 ($38,000). G[...] income rose 14 per cent. [...] $A18,540,000 while gross expe[...] increased by 41 per cent [...] $A16,448,000.

● Agence Havas is paying a 1974 dividend of Frs.11.25 (I[...]

● Tiger Oats and National M[...] Company anticipates that it[...] 1975 profit will be at [...] maintained.

The company had a taxed [...] of R18.8m. in the 18 months e[...] December 31. Group turnove[...] R391m.


**Associated Japanese Bank (International) Limited**

an international bank with a wide range of activities specialising in Euro-currency Finance

**Share, Loan Capital & Reserve U.S. $43.3 million**
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**Total Assets U.S. $680.0 million**
**(Equivalent of £ Sterling as at 28th February 1974)**

ajb

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The Sanwa Bank Ltd The Mitsui Bank Ltd
The Dai-Ichi Kangyo Bank Ltd The Nomura Securities Co Ltd
(Shareholders' aggregate assets exceeding U.S. $80,000 million)



**OZALID PRELIMINARY RESULTS**

| | 1974 | 1973 |
|---|---|---|
| Group Turnover | £79,755,000 | £63,100,000 |
| Turnover Arising Outside U.K. | £46,495,000 | £35,000,000 |
| (including U.K. Export) | £8,717,000 | £7,000,000 |
| Group Net Profit Before Taxation | £8,942,000 | £7,361,000 |
| Profit After Taxation | £4,302,000 | £3,711,000 |
| Earnings Per Share | 17.3p | 15.9p |

**Further substantial increase in Turnover and Profits in 1974**
Mr N. J. Kiely, in announcing the above results, points to the further substantial increase in turnover and profits achieved by the Group during 1974, despite the adverse economic climate prevailing. This was due to a considerable degree to the continued expansion of overseas trade; exports from the U.K. also showed a further marked increase.

In the home market, despite adverse factors such as the three-day working week period and shortages of raw materials, production and turnover held up well.

The early months of 1975 have continued to present uncertain and difficult trading conditions and it is recognised that the year will prove to be a testing time.

**Dividend**
The Directors propose to recommend payment of a final dividend at the rate of 3.13p per 25p Ordinary share and this, together with the interim dividend of 2.17p per share paid in January, will give a total of 5.30p per share for the year, compared with 4.89p per share in 1973. This is the maximum increase permissible under present restrictions. The final dividend will be payable on 18th July 1975 to those on the Register of Ordinary Shareholders at 20th June 1975.

**Annual General Meeting**
The dispute in the printing industry has delayed the printing of the Report and Accounts. This will be posted to shareholders as soon as possible. The Annual General Meeting will be held at the Company's offices at Langston Road, Loughton, Essex, at 12 noon on Thursday, 17th July 1975.

O·G·H OZALID GROUP HOLDINGS LIMITED
Loughton, Essex.

Registrars: Lloyds Bank Limited, The Causeway, Goring-by-Sea, Worthing, West Sussex BN12 6DA.

## Queensland expects big sugar crop

BRISBANE, May 20.

MR. OWEN STURGESS, Director of the Bureau of Sugar Experiment Stations, said recent crop estimates indicate that Queensland sugar cane production could reach a record 20.55m. tonnes this season, against 19.42m. tonnes in 1974. This represented a State average of 79.9 tonnes of cane harvested per hectare.

Forecast Queensland raw sugar production could total 2.96m. tonnes, against 2.73m. last season, he said.

Crop conditions had improved with late rains but an extended dry period, particularly in South Queensland, had reduced anticipated yields, especially in non-irrigated areas.

Trade sources said New South Wales cane production was expected to vary little from last season's 96,000 tonnes, yielding 121,000 tonnes of raw sugar.

If the preliminary Queensland estimate was achieved and New South Wales production was nearly unchanged, Australian raws output could be 3.08m. tonnes, against 2.85m. tonnes in 1974.

Reuter

## Bangladesh and China plan trade pact

By Our Asia Correspondent

CHINA AND Bangladesh have agreed to resume direct commodity trading, which has remained suspended since the former East Pakistan became independent as Bangladesh in December 1971.

Firm arrangements have not yet been completed, but a Bangladesh team visiting China for the Canton trade fair agreed with China to consider lists of commodities which could be profitably traded.

Before independence, East Bengal used to supply China with jute and jute goods, and some tea. China, in return exported medical supplies, machinery and stationery products.

## ISRAELI CITRUS EXPORTS UP

By Our Own Correspondent

TEL AVIV, May 20.

The Israeli 1974-75 citrus export season ended this week, except for one more shipment of grapefruit in cold storage, destined for Italy. The total shipping during the season, 47.6m. cases, was more than 7 per cent. above the exports of the preceding season, with the increase applying to all categories of oranges, grapefruit, lemons and soft fruit.

# Grain markets unsettled by Soviet buying rumour

BY JOHN EDWARDS, COMMODITIES EDITOR

A REPORT that senior Soviet officials were expected to begin talks in the U.S. next week on the purchase of sizeable quantities of American grain caused a flurry of interest in the Chicago grain futures market yesterday.

Reuter quoted Government sources as saying that no formal meetings were scheduled with the Soviet officials, who are from the Russian agency that handles grain deals. Discussions would be confined to talks with U.S. grain exporters.

Officially, the Soviet officials are making the trip to discuss with U.S exporters recent complaints about the quality of maize shipped to Russia this season, which led to the Soviet Union cancelling orders for some 200,000 tonnes.

It is claimed, however, that U.S. exporters have been seeking guidance from the Administration to discover whether there is a limit on the quantity of maize and wheat which can be sold to the Soviet Union from the 1975 crop.

London dealers yesterday were inclined to view the reports of potential large Russian grain purchases with some doubt. It was felt largely to be inspired by brokers hoping to stir up further speculative activity.

It was pointed out that it was much too early to forecast the likely Russian crop with any accuracy. Latest reports, out yesterday, suggest that the Soviet Union has a good chance of reaching its 215m. tonnes grain harvest target this year despite *unusually hot and dry weather* in May that could cause serious crop damage if drought conditions develop.

### Bumper harvest

In these circumstances, it would seem unlikely that Russia would consider grain imports at this stage, particularly as the expected record U.S. crop this season might well impose more downward pressure on prices. Latest reports state that U.S. crop plantings are making excellent progress, encouraging hopes of a bumper harvest.

It is thought extremely unlikely that contracts for any sizeable purchases of American grain by Russia will emerge from the present discussions. Although U.S. exporters are known to have been pressing hard for Russian business, since export supplies promise to be more than adequate, their case has not been helped by the poor quality of 1974 maize shipments, which have drawn complaints from European consumers too.

Although the many rumours about possible Russian purchases have been unfounded so far, they nevertheless create some uncertainty, particularly with speculators who have sold the market "short," as well as encouraging speculative buying in anticipation of another grain price boom. This in turn brings some trade covering against "short" sales and a technical reaction in Chicago, which is believed to be somewhat oversold at present.

Since the great grain purchase coup by the Russians in 1972, there is considerable apprehension in the U.S. as to whether a similar situation could develop again. *World stocks of grain are* still at a low level, with the U.S. carryover well down on previous years, so that a major setback in one of the main grain consuming countries could have serious repercussions. But improvements in the reporting system of grain exports should prevent the Americans being caught on the hop again by Russia.

# U.K. to seek over-fishing curb

BY RICHARD MOONEY

MORE EFFECTIVE curbs on industrial fishing—the use of small mesh nets to catch fish for processing into oil, fertiliser and fishmeal—are likely to be called for by the U.K. delegation at the North-East Atlantic Fisheries Commission (NEAFC) which begins in London to-day.

The British see industrial fishing as the main culprit for an alarming decline in stocks, which has been vexing fishery authorities all over Europe. Since the largest and most intensively fished waters are those around the U.K. the British delegation is especially concerned to halt the decline.

Though the majority of countries are expected to agree with the U.K. position on industrial fishing, the devising of effective controls will present serious problems. Economic and employment considerations rule out an *absolute ban while spot inspec*tions of industrial catches are not considered feasible. This leaves control by quotas, restrictions on type and size of nets and the allocation of permitted areas for industrial fishing as the main possibilities.

The only existing control on industrial fishing concerns the catching of undersized members of protected species. These should not account for more than 10 per cent. of industrial catches, but it is difficult to identify the components of a catch short of standing on deck watching the fish being hauled aboard.

Proposals for stringent curbs on industrial fishing are likely to meet the strongest opposition from the Danes, a major part of whose large fishing effort falls under this heading. Though Denmark is likely to be outnumbered on this point at the meeting, its position will be strengthened by the fact that NEAFC has no powers to enforce its decisions. It must rule by concensus, while enforcement of its decision is left to national governments.

The U.K. in recent years has been in the forefront of the struggle to prevent over-fishing in the North-East Atlantic and during the past year has had some success in getting quota arrangements adopted to protect its interests in the North Sea, the Channel and the West Coast of Scotland. But Whitehall sources warn that a lot remains to be done.

The effect of over-fishing is most clearly illustrated by the recent decline in herring catches. The total allowable catch for North Sea herring in the year to June 30 is 500,000 tons, but it seems unlikely that more than 60 per cent. of that amount will actually be caught. A sharp decline in haddock catches has also been noted.

Ironically it is the industrial fishermen themselves who are suffering most *in* the short-term. Catches for human consumption are holding up reason*ably well for the time being*, but industrial fishing boats, which tend to go out later in the season have found very few fish left.

# Peru asked to cut zinc ore exports

**DOWA MINING said it had asked Peru to reduce exports of zinc ore to Japan to help the company cut back rising stocks, reports Reuter from Tokyo.**

**A Dowa spokesman said Peru had been asked not to ship about 20,000 tonnes of zinc ore, originally due to be sent last year but held over to 1975 for technical reasons.**

**Dowa's stocks were increasing rapidly, despite a 30 per cent. production cutback, the spokesman said.**

**Mitsui Mining and Smelting said it had no plans at present to request overseas shippers to cut back their exports. Industry sources said other smelters were not likely to follow Dowa's lead immediately for fear that import cuts now could lead to retaliation against Japan later.**

**Our Commodities Staff writes: Support buying, believed to be on behalf of producers, helped to lift zinc prices on the London Metal Exchange again yesterday. Cash zinc gained £2.25, to £324.5 a tonne, £5 above last week's level.**

**Support buying also steadied lead, although Noranda of Canada confirmed last night that it was cutting its U.S. lead price from 24.50 to 22.75 cents per pound in line with similar cuts made by U.S. domestic producers. There seems little doubt now that other suppliers also will cut their U.S. prices.**

**Copper prices turned up yesterday, with demand coming mainly from speculators. Cash wirebars gained £6, to £351.25 a tonne.**

## COFFEE PRICE RISE REVERSED

By Our Commodities Staff

Coffee futures prices rose on the London terminal market in early dealings yesterday, encouraged by confirmation from Brazil that the Coffee Institute had raised its internal support prices for the 1975-76 coffee crop.

The buying was chiefly from speculative quarters, however, with consumers taking little interest and trade selling in the afternoon quickly reversed the trend. July coffee ended the day £1 lower, at £430.25 a tonne.

In the cocoa market, meanwhile, heavy stop loss selling took the July position down to £470 a tonne at one stage before covering purchases lifted this to £474.75 down £16.25 at the close. The *fall* was concentrated in nearby positions, quotations from December onwards showing only small declines.

COMMODITY PACTS

# Special importance of tin conference

BY OUR GENEVA CORRESPONDENT

THE UNITED NATIONS tin conference which opened here yesterday is the first multilateral negotiation on any commodity under UN auspices since the special session of the General Assembly devoted to the problems of raw materials.

It thus acquires special importance, according to the representative of the UN Conference on Trade and Development, because of its relevance to one of the "great issues of present times"—that of ensuring fair and stable conditions of commodity trade in the interests of producers and consumers and in the cause of a rational world economic order.

The one-month conference has to renegotiate the fourth International Tin Agreement which expires on June 30, 1976. The main issue concerning the tin buffer stock is the need for a substantial enlargement of its size and a fundamental review of financing arrangements for the stock.

Previous agreements have achieved considerable success in supporting the market by holding tin prices on international markets above a mutually agreed floor price through purchases into the buffer stock. They have been less successful in cushioning upward price fluctuations.

### Buffer stock

The UNCTAD Secretariat recognises that an enlargement of the buffer stock from the present equivalent of 20,000 tonnes to between 30,000 and 50,000 tonnes would benefit the consuming countries too, since the ability to check steep price increases and to defend the ceiling price under a new agreement depends largely on physical resources of the stock. At the same time a bigger stock should reduce the need for export controls such as those now operating.

A buffer stock enlargement, however, is linked to three key issues. First is the move to extend the obligation to contribute financially to such a stock to consuming countries. The burden has so far been carried by the producer countries, with voluntary contributions made by only two consumer countries—the Netherlands and France.

The second question is the degree to which assistance will be made available, and under what conditions, under the buffer stock financing facility of the International Monetary Fund. It is understood that the IMF has been examining changes in the facility including direct financing. Also, the World Bank is reported to be considering implementation of its stated policy of assisting with the financing of buffer stocks, to the extent that approriate arrangements cannot be made with the IMF.

Thirdly, it is recognised here that, even with an enlarged buffer stock facility, the agreement might be impaired if non-commercial stockpiles of tin were to be disposed of in a "manner inconsistent with the objectives of the agreement." Despite large scale disposals in recent years the U.S. stockpile—about 200,000 long tons—still hangs heavily over the world market. This is the equivalent of nine months of world consumption. Along with Brazil (a producer and a consumer) and China (a net exporter) the U.S., as the largest consumer, has been conspicuously missing from the 29-nation membership of the present agreement.

**M. Pierre Charles Legoux of France was unanimously elected chairman of the conference negotiating a new International Tin Agreement at Geneva yesterday, reports Reuter.**

**His election was a surprise departure from precedent, and directly due to the suspension, announced 10 days ago by International Tin Council Executive Chairman Mr. Harold W. Allen, of the manager of the present Agreement's tin buffer stock.**

**The Council's executive chairman has presided over past conferences negotiating new accords governing trade in tin, but since the suspension, Mr. Allen has temporarily taken over the duties of buffer stock manager, and speakers said it was more important for him to attend to this task than to chair the conference.**

### Pricing policy

A particular welcome was extended *this morning to U.S.* representatives, and the hope was expressed that the U.S. would recognise its interest in actively participating in a fifth International Tin Agreement. Failing this, Mr. Corea has suggested "unequivocal assurances" that the conditions of disposals of tin from the U.S. stockpile would be consistent with efficient functioning of the Agreement.

In this case, he said, the buffer stock would not need to be as large as in the absence of such assurances.

# Hong Kong Commodity Exchange move

HONG KONG, May 20.

HONG KONG Financial Secretary, Mr. Philip Haddon-Cave, would ask the Legislative Council to-morrow to approve in principle the establishment of a commodity exchange here, a Government statement said.

A Securities Commission spokesman said the request would be in the form of a resolution which would be debated and voted on next month. If the Legislative Council approved, the Government would proceed with detailed legislation to allow the exchange to function.

A spokesman for the consortium which hopes to start up the exchange said this meant it could open late this year or early 1976.

The Government has been studying the consortium's detailed proposals of rules and regulations for the exchange.

The consortium comprises the Wheelock Marden Group, the Won Hon Fai Group and Rudolf Wolff and Co. It is co-ordinated by General Management (HK).

Reuter

# COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COPPER—Gained further ground. After an initial downward movement in pre-market trading where forward metal fell to £563.5 owing to European selling, prices moved steadily upwards to close at the day's highest. The rally stemmed mainly from renewed speculative demand which

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Wirebars | | | | |
| Cash | 547-.5 | +5 | 551-.5 | +6 |
| 3 months | 566-.5 | +4.75 | 571-.5 | +7 |
| Settlem'nt | 547.5 | +5 | — | ...... |
| Cathodes | | | | |
| Cash | 538.5-9 | +6.25 | 542-4 | +7.25 |
| 3 months | 557-.5 | +6.5 | 561-2 | +7.25 |
| Settlem'nt | 539 | +6 | — | ...... |
| U.S. Smt. | — | ...... | *65.70 | ...... |

found the market looking a little oversold at the lower levels and an apparent change in sentiment following the steadiness of the market after Monday's further increase in the already record warehouse stocks figure. Forward metal ended at £572 on the afternoon Kerb helped by the opening firmness of the U.S. market. Turnover: 12,850 tonnes.

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £546, 46.5, 47, three months £564, 65.5 to 67, 66.5. Cathodes: cash £538, 38.5, 39, 38.5. Kerbs: Wirebars: cash £548, three months £567, 68, 67.5, 67, 66, 67.5. Cathodes: three months £557. Afternoon: Wirebars: cash £549 to 52.5, 52, three months £568 to 72, 71.5, 71. Cathodes: three months £561. Kerbs: Wirebars: mid-June £558, three months £571.5, 73, 72.5, 72, 71, 71.5, 72.

TIN—Irregular. The fall in the Penang price overnight caused initial easiness in values here. Forward metal, after being £3,013, picked up to £3,022 helped by what was thought to have been European interest but cash metal was still lower on balance at the close. Turnover 1,290 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or †— |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 2960-2 | —.5 | 2961-2 | —5.5 |
| 3 months | 3020-2 | +1.5 | 3022-5 | +1.5 |
| S'ment | 2962 | ...... | — | ...... |
| Standard | | | | |
| Cash | 2960-2 | —.5 | 2961-2 | —5.5 |
| 3 months | 3020-2 | +1.5 | 3022-5 | +1.5 |
| S'ment | 2962 | ...... | — | ...... |
| Straits E. | †$935¼ | —2½ | — | ...... |
| New York | — | ...... | *345.5 | ...... |

Morning: Standard: cash £2,967, 61, 62, 63, three months £3,012 to 22, 21. High Grade untraded. Afternoon: Standard: cash £2,963, 62, 61, three months £3,029, 22. High Grade untraded.

LEAD—Little changed. Influential demand for cash metal pushed that price up to £193.5 at one time but it later eased owing to lack of follow-through. Forward metal edged upwards owing to short-covering. Turnover 6,900 tonnes.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or †— |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 193-.5 | —.5 | 192-.5 | ...... |
| 3 months | 182-.5 | —.125 | 181.5-2 | +.625 |
| S'ment | 193.5 | —.5 | — | ...... |
| N.Y. Spot | — | ...... | *22¼-4½ | —4½ |

Morning: cash £193.5, 93, late June £187, three months £182, 81.5, 81, 81.25, 81.5, 82. Kerb: three months £182. Afternoon: cash £193, three months £182, 81.5. Kerb: three months £182.

ZINC—Higher again. Renewed support buying of cash metal was reported while forward moved ahead owing to influential demand, thought to be mainly covering purchases. The firmness of copper was also an influence. Turnover 3,775 tonnes.

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 323.5-4 | —.5 | 324-5 | +2.25 |
| 3 months | 314.5-5 | +1 | 316-7 | +2.75 |
| S'ment | 324 | —.5 | — | ...... |
| Prm. West. | — | ...... | *34½-9 | ...... |

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Morning: cash £324, 23.5, three months £313.5 to 15. Kerb: cash £323, three months £314.5. Afternoon: cash £324, three mounths £314.5 to 16.5. Kerb: cash £325, 24, three months £317.5.

## SILVER

Silver was fixed 1.3p an ounce lower for spot delivery in the London bullion market yesterday, at 199.5p U.S. cent equivalents of the fixing prices were: Spot 460.1c, down 2.1c; three-month 466.9c, down 1.9c; six-month 475.1c, down 1.4c; and 12-month 491.6c, down 1.4c. A good, speculative business was reported. The spot price opened at 201.5-203.0p (464-468c), and touched a day's low of 199.0-200.5p (458.5-461.5c) at one stage, before closing at 200.5-202.0p (462-465c), against Monday's 201.0-202.5p (463-466c).

| SILVER per troy oz. | Bullion fixing prices | + or — | L.M.E. close | + or — |
|---|---|---|---|---|
| Spot | 199.5p | —1.3 | 200.75p | —0.75 |
| 3 months | 205.3p | —1.5 | 205.55p | —1.85 |
| 6 months | 211.9p | —1.5 | — | ...... |
| 7 months | — | ...... | 215.4p | +0.15 |
| 12 months | 225.3p | —1.3 | — | ...... |

LME—Turnover 335 (264) lots of 10,000 ozs. Morning: Three months 206, 5.9, 5.8, 5.7, 5.5, 5.7, 5.6, 5, 4.5, 4.8. Kerbs: Three months 204.8. Afternoon: Three months 206.8, 6.9, 6.8, 6.7, 6.5, 6.6. Kerbs: Three months 206.6, 7.

## COCOA

After a quietly steady opening, light selling of near July uncovered heavy stoploss selling, leading to a decline of £29 at one stage. Other months showed much smaller movements, reports Gill and Duffus.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| No4Contract | | | |
| May | 475.0-7.0 | —9.5 | 487.0-73.0 |
| July | 474.5-6.0 | —16.25 | 496.0-70.0 |
| September | 474.0-5.0 | —7.0 | 487.0-69.0 |
| December | 495.0-6.0 | —4.25 | 504.0-491.0 |
| March | 503.0-3.5 | —2.25 | 510.0-02.0 |
| May | 504.0-8.0 | —2.0 | 507.0 |
| July | 506.0-10.0 | —2.75 | 509.0 |

Sales: 2,553 (2,092) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 48.41 (48.46) U.S. cents per pound: indicator 15-day average 47.95 (48.04); 22-day average 49.30 (49.60).

## FREIGHTS

DRY CARGO—Activity increased in the North American grain trades although N. European participation was confined to a booking from Baie Comeau to Netherlands at $2.85 f.i.o. for May and another from U.S. Gulf to Netherlands at $5.25 f.i.o. for June. Other grain cargoes were covered from St. Lawrence to Algeria at $11.75 free discharge for May-June and from U.S. Gulf to Algeria at $13.35 f.i.o. for May also from U.S. Gulf to Colos, Greece at $8.75 f.i.o for May-June.

A cargo of oilseeds was booked from Vancouver to S. Japan at lump sum equivalent to $11 f.i.o. for June-July and a cargo of barley from U.S. N. Pacific to S. Japan at $13.50 f.i.o. for June.

Miscellaneous chartering included 22,000 long tons scrap from Panama City to S. Korea at $340,000 f.i.o. for spot and sulphur from Kharg Island to India at $8 f.i.o. for May also phosphate from Aquaba to India at $8 f.i.o. for prompt loading.

OIL TANKERS—More active but with low rates unchanged. Overnight, Exxon fixed a 223,000-tonner and a 260,000-tonner, spot loading, from Persian Gulf to west—both at Worldscale 15—together with a 120,000-tonner for a similar voyage at the same rate. It is of interest that the 223,000-tonner is a Reksten relet which has been reclaimed by the owner and now fixed to Exxon. Exxon is still in the market for VLCC's in May and June, provided W.15 can still be obtained.

## COFFEE

Overnight confirmation from Brazil that the IBC had raised internal support prices for the 1975-76 coffee crop encouraged some early buying interest on the Robusta terminal. But generally, the market was hesitant, dealers awaiting New York's reaction to the news.

Prices were slightly easier after lunch on mixed selling and profit-taking. Although a steady New York opening temporarily halted the decline, the selling later resumed and prices closed barely steady.

Arabicas attracted an improved two-way interest which boosted turnover to 104 lots.

| COFFEE | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| May | 439.0-40.0 | —0.5 | 440.0-39.0 |
| July | 430.0-30.5 | —1.0 | 433.0-30.0 |
| September | 425.0-26.0 | —1.25 | 428.0-24.0 |
| November | 421.5-22.0 | —1.5 | 424.5-21.0 |
| January | 423.5-24.5 | —2.5 | 427.5-25.5 |
| March | 428.5-29.0 | —1.75 | 434.0-30.0 |
| May | 430.0-32.0 | —1.25 | 434.5-32.0 |

Sales: 544 (647) lots of 5 tonnes.

Latest published ICO indicator prices, U.S cents a pound. Colombian Mild Arabicas 65.95 (same). Other Mild Arabicas 65.75 (same). Other Mild Santos Fours 75.00 (74.50). Robustas 46.94 (46.69). Daily average 60.11 (59.81).

ARABICA CONTRACT (in order buyer, seller, sales)—June 59.70-59.80, 6; Aug. 61.00-61.10, 8; Oct. 60.80-61.90, 49; Dec. 62.10-62.30, 39; Feb. 61.80-61.90, 1; April 62.10-62.50, 2; June 62.50-63.30, nil. Sales. 104.

## SUGAR

LONDON DAILY PRICE—Higher at £178 (£174) a ton c.i.f. May-June shipment.

Market opened some 400/500 points higher, but higher values attracted stronger selling interest and prices stabilised some 200 points below the best levels of the morning. After a short-lived recovery to the highs, quotations fluctuated in a narrow range. An easier tone again developed towards the close which was around 300 points below mid-day values, C. Czarnikow reports.

| Sugar Pref. Comm. Con. | Yesterday's Close | Previous Day's Close | Business Done |
|---|---|---|---|
| | £ per ton | | |
| Aug. | 181.50-85.00 | 174.50-76.00 | 184.50-74.00 |
| Oct. | 177.05-77.25 | 170.95-71.00 | 181.00-71.00 |
| Dec. | 176.75-77.00 | 168.75-70.00 | 188.50-70.00 |
| March | 174.00-75.00 | 168.00-69.00 | 176.00-64.00 |
| May | 175.00-76.00 | [illegible] | 175.50-68.00 |
| Aug. | 175.00-74.00 | 167.00-7.00 | 175.00-68.00 |
| Oct. | 173.00-74.00 | 161.00-69.00 | 175.00-68.50 |

Sales: 2,432 (2,308) lots of 50 tons each.

Tate and Lyle ex-refinery price for granulated basis white sugar was £281.80 (same) a long ton for home trade and £298 (£279) a long ton for export.

EEC DAILY EXPORT LEVIES for white and raw sugars, denatured and non-denatured, effective May 21. Figures in units of account per 100 kilos with previous in brackets where changed: White 9.09 (12.50). Raw 7.00 (6.50).

## GRAINS

THE BALTIC—Small quantities of EEC wheat traded for June and July shipment to the S. Coast U.K., while optional maize met a limited offtake for May and June shipment to E. Coast ports.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent., June £53.65, July £60.55, Aug. £61.30 sellers transhipment East Coast: U.S. Hard Winter No. 2, 13½ per cent., July £63.60, Aug. £63.90 direct Tilbury: EEC Milling, French June £52.75 Belfast seller.

Maize—No. 3 Yellow American, French May £71, June £52, July £52.75 transhipment East Coast: South African White Dent May-June £59.50 sellers Glasgow: South African Yellow Flint May-June £61.00 sellers Glasgow.

Barley—EEC Feed May £49.75, June £50.75 East Coast. Rest unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: May 50.15, Sept. 55.00, Nov. 57.55, Jan. 59.60, March 61.40. Business: May 50.10-50.00, Sept. 55.00-54.75, Nov. 57.55-57.45, Jan. 59.70-59.65, March 61.50-61.30. Barley, spot easier, forwards steadier. Close: May 49.80, Sept. 53.05, Nov. 55.00, Jan. 56.90, March 58.75. Business: May 50.05-49.80, Sept. 53.00-52.90, Nov. 54.95-54.75, Jan. 56.80-56.75, March 58.75-58.40.

HGCA—Location ex-farm spot prices: Soft milling wheat—Kings Lynn £50.00. Feeding barley—Edinburgh £47.40, Kings Lynn £49.40.

EEC DAILY IMPORT LEVIES and premiums effective May 21 (in order current levy plus June, July and Aug. premiums, with previous in brackets). Rates in units of account per tonne: Soft wheat and mixed wheat and rye—43.26, 3.22, 3.22, 3.78 (44.35, 3.05, 3.05, 3.38); Hard wheat—21.82, 2.92, 2.92, 4.02 (21.82, 2.92, 2.92, 4.02); Rye—36.95, rest nil (36.95, rest nil); Barley—49.69, 2.89, 2.89, 4.33 (4.69, 2.89, 2.89, 3.61); Oats—39.46, rest nil (39.46, rest nil); Maize (other than hybrid for seeding)—31.56, rest 0.72 (31.59, 1.06, 1.06, 1.46); Buckwheat—17.12, rest nil (17.12, rest nil); Millet—All nil (All nil); Grain sorghum—34.93, 1.44, 1.44, 3.42 (34.93, 2.17, 2.17, 6.50). Levies for flours: Wheat or mixed wheat and rye—73.84 (81.37); Rye—89.03 (same).

## RUBBER

EASIER opening on the London physical market. Little interest throughout day, closing quiet. Lewis and Peat reported a godown price of 115 Malaysian cents a kilo (buyer, June).

| No. R.S.S. | Yesterday's close | Previous day's close | Business done |
|---|---|---|---|
| June | 27.00-28.00 | 26.60-27.60 | — |
| July | 27.25-28.00 | 27.25-27.75 | — |
| Jly-Sep | 27.65-27.90 | 27.70-27.85 | — |
| Oct-Dec | 29.50-29.85 | 29.20-29.25 | 29.3-29.05 |
| Jan-Mar | 30.40-30.45 | 30.40-30.45 | 30.40-30.30 |
| Ap-Jun | 31.45-31.50 | 31.40-31.45 | 31.40-31.30 |
| Jly-Sept | 32.00-32.15 | 31.95-32.20 | — |
| Oct-Dec | 32.55-32.60 | 32.40-32.75 | 32.60-32.50 |
| Jan-Mar | 33.35-33.40 | 33.35-33.45 | 33.40-33.35 |

Sales: 5 (34) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 26.5p (same); June 25.5p (25.6p); July 26.2p (26.25p).

## WOOL FUTURES

LONDON—Market quiet in typical pre-holiday session, Bache reports.

(Pence per kilo)

| Australian Greasy wool | Yesterd'ys close | + or — | Business Done |
|---|---|---|---|
| May | 163.0-66.0 | ...... | — |
| July | 167.0-71.0 | —0.5 | — |
| October | 172.0-75.0 | ...... | [illegible] |
| December | 174.0-75.0 | ...... | — |
| March | 177.5-79.0 | —0.5 | — |
| May | 179.0-82.0 | —0.5 | — |
| July | 181.0-85.0 | —0.5 | — |
| October | 183.0-86.0 | —1.0 | — |

Sales: 1 (10) lots of 1,500 kilos.

SYDNEY—Market closed ½c to 2c down with most interest in near and middle months. Prices opend par to 3c lower and the market remained weak throughout in dull trading.

(Aust. cents per kilo)

| Greasy wool | Yesterd'ys Close | + or — | Business Done |
|---|---|---|---|
| May | 262.5-63.8 | —0.8 | 264.0-62.0 |
| July | 266.0-66.4 | —0.8 | 266.8-66.0 |
| October | 271.6-72.0 | —0.7 | 272.8-70.8 |
| December | 274.8-75.0 | —1.55 | 276.0-74.0 |
| March | 277.8-78.0 | —0.75 | 278.0-76.8 |
| May | 278.0-78.5 | —0.5 | 279.0-78.0 |
| July | 279.0-79.5 | —1.0 | [illegible] |
| October | 279.5-79.8 | —0.6 | 279.5-79.5 |

*Sales*: 21 (16) lots of 1,500 kilos.

## MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 34.0 to 37.5; English hindquarters including heavy 44.0 to 46.0; Eire hindquarters 44.0 to 46.0, forequarters 24.0 to 26.0.

Veal: English fats 38.0 to 45.5, higher quality fats 47.0, bobbies 15.0 to 16.0; Scottish bobbies 14.0 to 16.0; Dutch hinds and ends 62.0 to 66.0, higher quality hinds and ends 68.0.

Lamb: English small new season 40.0 to 44.0, small new season 46.0, medium 40.0 to 42.0, heavy 38.0 to 40.0. Imported frozen: NZ D's 29.5 to 30.0, 2's 29.5 to 30.0, 8's 28.0 to 28.5, YLs 28.0 to 28.5, YMs 29.5 to 29.8.

Hoggets: English 26.0 to 32.0, Scottish 20.0 to 30.0.

Ewes: 12.0 to 18.0.

Pork: English, under 100 lbs 29.0 to 34.0, 100-120 lbs 29.0 to 32.0, 120-160 lbs 29.0 to 31.0, 160-180 lbs 27.0 to 29.0, 180 lbs and over 24.6 to 26.0.

MEAT COMMISSION—Average fatstock prices at representative markets on May 20: U.K.—Cattle £22.43 per live cwt. (—0.67); Sheep 41.2p per lb e.d.c.w. (—0.1); Pigs £4.47 per sc.l.w. (—0.11). England and Wales—Cattle numbers down 3.3 per cent., average price £22.38 (—0.77); Sheep up 23.0, 42.2p (—0.5); Pig up 2.0, £4.46 (—0.12). Scotland—Cattle down 8.9, £22.77 (—0.20); Sheep down 14.8, 36.8p (—0.1); Pig down 21.3, £4.55 (—0.02).

COVENT GARDEN—Prices in sterling—Imported produce: Oranges—Jaffa: Shamouti/Valencia lates 3.60-4.20; Californian: 3.40-3.80; Florida: 2.70-2.90; Cyprus: 2.40-3.00; South African: 3.00-3.20. Grapefruit—Jaffa: 40 2.80, 48 2.80, 56 2.90, 64 2.90, 75 2.90, 88 3.90; Cyprus: 64 3.00, 56 3.00, 48 2.85, 40 2.65; Florida: Red Blush 4.00; South African: 32/64 2.15-2.40. Lemons—Italian: 2.90-3.20; South African: 3.00-3.50. Apples—South African: Starking Delicious 4.60-5.10, Golden Delicious 4.60-4.80, White Winter Pearmain 4.70-4.80, Granny Smith 5.60-5.70; New Zealand: Golden Delicious 5.00, Sturmer Pippin 5.00; Tasmanian: Jonathans 4.80-5.00, Cox's Orange Pippin 6.00-6.20, Golden Delicious 4.60; French: Cartons Golden Delicious 20lb 2.20-2.30; Italian: Cartons.

English produce: Cauliflowers—Per 12 Lincoln 1.70, Kent 2.00. Mushrooms—Per lb 0.20. Spring Greens—Per bag 0.80-0.90. Onions—Per 56lb 2.80-3.00. Apples—Per 30lb Bramley's 2.70-3.30. Rhubarb—Per lb, outdoor 0.04. Lettuce—Per 12 round 1.20, cos 1.00. Leeks—Per 12lb 1.20. Potatoes—Per 56lb white 1.25, red 1.40. Cucumbers—Per tray, 12 1.30, 14 1.40, 18 1.50, 18 1.80. Carrots—Per 28lb 2.40. Swedes—Per 28lb 0.40-0.50. Tomatoes—Per lb 0.24-0.27.

## JUTE

DUNDEE—Quiet, with no business taking place and minimum export prices unknown. Calcutta goods firm. Quotations c. and f. U.K. for May shipment: 10-ozs 40-inches £8.02, 7½-ozs £6.14 per 100 yards: June £8.14 and £6.20; July-Sept. £6.31 and £6.25. "B" twills: £23.39, £23.05 and £22.65 for the respecuive shipment periods. Yarns and cloths very quiet.

LONDON—Quiet. Bangladesh White C grade May-June £224.00. D grade May-*June £214.00. A long ton.*

CALCUTTA—Steady. Indian May-June Rs.465. Dundee Daisee May-June Rs.425 values. A bale of 400 lbs.

## COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 431 tonnes, bringing the total for the week so far to 696 tonnes. F. W. Tattersall reports. Renewed interest on the part of spinners brought a freer offtake. Orders were mainly in S. American and Middle Eastern qualities, but some support was evident in African growths.

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HIDES—Birmingham. Generally firmer *but sizeable quantities unsold.* Second clear ox 31-35.5 kilos 22.5p per kilo: 26-30.5 kilos 24p: 22-25.5 kilos 25.3p. Light cows withdrawn 23.5p. No calf offered.

*

GRIMSBY FISH—Supply good, demand fair. Prices per stone at ship's side, unprocessed. Shelf cod £1.50-£2.00; codling £1.10-£1.90; shelf haddock £2.40-£2.80, medium £2.00-£2.30; medium plaice £3.00, best small £2.60; skinned dogfish £4.20; coalfish 90p-£1.10; medium dogfish £3.60; rockfish £1.10-£1.40, lemon soles £3.50-£4.00; RFD's 80p-£1.20.

*

COPRA—Philippines: May and June $220. July $225, Aug. $230 resellers per tonne c.i.f. N. European ports.

*

PALM OIL—Close: June unquoted. Aug. £172-£165, Oct. £171½-£163, Dec. £168-£160, Feb. £170-£156, April £170-£158, June £169-£158, long Aug. £166-£158. Closing tone, dull. Number of lots, 0.

*

SOYABEAN MEAL—Close: Aug. 69.60-70.00, Oct. 71.10-71.30, Dec. 72.30-72.50, Feb. 73.60-74.30, April 73.60-76.00, June 77.00-77.80, Aug. 77.50-78.30. Business: Aug. 69.3-69.4; Oct. 69.9-71.5, Dec. 70.8-72.3, Feb. 72.8-73.1, April 74.1-75.9, 76.4. Turnover 101 (45) lots of 100 tonnes.

## PRICE CHANGES

Prices per ton unless otherwise stated.

| | May 20 1975 | + or — | Month ago |
|---|---|---|---|
| **Metals** | | | |
| Aluminium (a) | £596 | ........ | £579.6 |
| Free market cif | £270-280 | ........ | £285-295 |
| *Copper*§ | | | |
| Cash Wire Bars(a) | £551.25 | +6.0 | £560.75 |
| 3 month do. do.(a) | £571.25 | +7.0 | £578.75 |
| Cash Cathode (a) | £543 | +7.75 | £550.5 |
| 3 months do. (a) | £561.5 | +7.25 | £569.5 |
| Gold.........Troy oz. | $167.25 | —1.0 | $165.25 |
| Lead Cash (a) | £192.25 | ...... | £199.25 |
| 3 months (a) | £181.75 | +0.625 | £198.375 |
| Nickel (a) | £1,850 | ........ | £1,865.c |
| Free market cif (lb) | $1.75-1.9 | ........ | $1.75-1.9 |
| Platinum(troy oz.) | £67-71.5 | ........ | £67-71.5 |
| Free Market | £66½-67½ | ........ | £61-65 |
| Quicksilver(76lb)(a) | $132-137 | ........ | $136-146 |
| Silver Troy oz | 199.5p | —1.3 | 187.25p |
| 3 months | 205.3p | —1.3 | 185.05p |
| Tin Cash (a)§ | £2,967.5 | —5.5 | £2,996 |
| 3 months (a) | £3,022.5 | +1.5 | £3,028 |
| Wolfram 22.04lb.cif | $41-5... | ........ | $41-5½ |
| Zinc Cash(a) | £324.5 | +2.25 | £342.5 |
| 3 months(a) | £316.5 | +2.75 | £323.25 |
| Producers (a) | £360 | ........ | £360 |
| **Oils** | | | |
| Coconut Malayan | £175 | ........ | ‡ |
| Groundnut | | | |
| 88 | £396 | ........ | £406 |
| Linseed Crude (a) | £467 | ........ | ‡ |
| Palm Malayan (a) | ‡ | ........ | ‡ |
| Soyabean (a) | ‡ | ........ | ‡ |
| **Seeds** | | | |
| Copra Philipp ton | $220 | —15 | $290 |
| Gr'nuts Nigerian | ‡ | ........ | |
| Linseed Can. No. 1 | £156 | —5 | £161.5 |
| **Grains** | | | |
| Barley EEC | £49.75 | ........ | £48.75 |
| Homos Futures | £49.8 | —0.1 | £48.95 |
| Maize | | | |
| French No.3 Am. | £51 | ........ | £51.25 |
| S.A. Yellow Flint | £61.0 | +1.5 | ‡ |
| Wheat | | | |
| No. 1 Red Spring | ‡ | ........ | ‡ |
| No.2 HardWinter | £65.6 | ........ | |
| Australian (Laq) | ‡ | ........ | |
| English Milling | £52 | ........ | £52.5 |
| Cocoa Shipment (a) | £554 | —8 | £544.5 |
| futures July (a) | £474.75 | —16.25 | £503.25 |
| Coffee Shipment (c) | | | |
| futures July (U lb) | £430.25 | —1.0 | £413.25 |
| Cotton 'A' Index | | | |
| cent | 54.35 | ........ | 52.85 |
| JuteLJABWC (d) | £224 | ........ | £244 |
| Rubber..........kilo | 26.5p | ........ | 25.15p |
| Sisal EAsL (a) | £865 | ........ | £650 |
| Sugar | £178 | +4 | £260 |
| Wooltops 64s......kilo | 197p | ........ | 183p |
| Cloves (Madagascar) | £2,550 | ........ | £2,550 |
| Pepper White....ton | £855 | ........ | £830 |
| Black....ton | £673 | —10 | £675 |

* Nominal. † Seller. § Unofficial close ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b Mombasa U S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h January. k Jan.-Feb. u Metric tons r Jan.-March. r February. s Feb.-March. t Nov. q May-June. w Nov.-Jan. Prices per ton unless otherwise stated.

## INDICES

### FINANCIAL TIMES

| May 20 | May 19 | Month ago | Year ago |
|---|---|---|---|
| 163.87 | 163.91 | 165.16 | 210.33 |

(Base: July 1, 1952=100)

### REUTER'S

| May 20 | May 19 | Month ago | Year ago |
|---|---|---|---|
| 1080.5 | 1076.2 | 1099.6 | 1317.8 |

(Base: Sept. 18, 1931=100)

### DOW JONES

| Dow Jones | May 20 | May 19 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 279.11 | 274.45 | 303.96 | 333.48 |
| Futures | 257.96 | 254.76 | 285.46 | 296.44 |

(Average 1924-25-26=100)

### MOODY'S

| Moody's | May 20 | May 19 | Month ago | Year ago |
|---|---|---|---|---|
| Sple Comm'ty | 736.1 | 736.8 | 749.7 | 776.0 |

(Dec. 31, 1931=100)

## U.S. Markets

# Soyabeans and maize post gains

NEW YORK, May 20.

SILVER closed lower on Commission House selling. Copper finished unchanged to higher on light volume. Cocoa declined as light covering reduced the extreme losses. Sugar closed higher on technical activity. Chicago soyabeans and maize advanced on Commission House buying. Wheat closed mixed to lower on Commission House selling, Bache reports.

Cocoa—Ghana spot 62 (62). Bahia spot 53 (53). May 51.72 (53.35), July 47.92 (48.35), Sept. 48.00, Dec. 46.45, March 46.50, May 46.90, July 47.10, Sept. nil. Sales: 934.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: May 52.75 asked (50.00), July 52.20-52.50 (52.50), Sept. 54.40-54.10, Nov. 55.30-55.75, Dec. 55.75, March 56.30-56.60, May 56.70-57.55. Sales: 421.

Copper—May 55.90 (55.90), June 55.90 (55.90), July 56.40, Sept. 57.50 settlements. Sales: 1,064 lots.

Cotton—July 45.88-45.00 (45.32), Oct. 47.00-47.05 (46.35), Dec. 47.65-47.70, March 48.45-48.49, May 49.10-49.20, July 49.75-49.85, Oct. 50.00 bid. Sales: 1,728.

♣Gold—May 167.60 (165.20), June 168.20 (168.60), July 169.20, Aug. 170.20, Oct. 172.30, Dec. 174.50, Feb. 176.70, April 178.90, June 181.10, Aug. 183.30. Sales: 681.

Greasewool—Spot 134.0 nom. (same), July 132.0-135.0 (134.0), Oct. 137.0-139.0 (137.0), Dec 141.0-143.0, March 141.0-146.5, May 142.0-149.0, July 142.0-150.0, Oct. 142.0 bid.

†Lard—Chicago loose 26 asked (25 nom.). NY drummed 32 nom (31 nom.).

††Maize—May 277-275 (276½-277), July 275½-275 (272½-273), Sept. 264½-264½, Dec. 250½-250, March 256, May 259.

‡Platinum—July 150.50 (153.00), Oct. 153.80 (156.10), Jan. 157.70, April 161.20, July 163.40, Oct. 166.50. Sales: 253.

‡‡Silver—Spot 463.00 (462.00), May 458.70 (456.90), June 460.00 (466.20), July 463.00, Sept. 469.50, Dec. 479.10, Jan. 482.00, March 488.40, May 494.60, July 500.70, Sept. 506.80. Sales. 6,449.

*Soyabeans—May 541-542 (528½), July 519-521 (514½), Aug. 512, Sept. 504-504½, Nov. 502-503½, Jan. 509, March 516-515, May 521½-522, July 523½, Aug. 527½.

hSoyabean Meal—May 125.50-126.00 (126.40), July 126.00 (123.30), Aug. 126.00-127.00, Sept. 127.60, Oct. 128.50, Dec. 131.00, Jan. 133.00-133.50, March 135.50-136.00.

Soyabean Oil—May 24.00-23.80 (23.20), July 22.45-22.60 (22.25), Aug. 21.75, Sept. 21.10, Oct. 20.40-20.50, Dec. 20.00, Jan. 19.45-19.50, March 19.05-19.10, May 18.75, July 18.30-18.35, Aug. 18.00-18.25.

Sugar—Spot 17.75 (16.75). July 17.60-17.49 (16.38), Sept. 17.00-16.95 (16.40), Oct. 16.80-16.75, Jan. 16.15 nom., March 16.20-16.10, May 15.90 nom., July 15.60 nom., Sept. 15.30, Oct. 15.30-15.10. Sales: 2,992.

Tin—320.00-367.00 nom. (same).

**Wheat—May 318½ (323½-324), July 319-316½ (326½-325), Sept. 324½-324, Dec. 334-333½, March 342.

WINNIPEG, May 20. ††Rye—May 210½ (215), July 221½ asked (218½), Oct. 214½, Dec. 209 nom.

cOats—May 166 nom. (165), July 162 asked (159½), Oct. 154, Dec. 153 nom.

§Barley—May 238½ (235), July 229½ (225½), Oct. 215½, Dec. 211 nom.

dFlaxseed—May 850 bid (836), July 850 (836), Oct. 834, Nov. 809 bid, Dec. 775 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 477½ (499½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. ♣$ per troy ounce in 100 ounce lots. †Chicago loose $'s per 100 lbs — Dept of Ag prices previous day. Drummed $'s per 10 lbs f.o.b. NY. ‡‡Cents per troy ounce ex-warehouse. h New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡$'s per troy ounce for 50-ounce units of 99.8 per cent purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.


# ANGLOVAAL GROUP

## DECLARATION OF PREFERENCE DIVIDENDS

DIVIDENDS HAVE BEEN DECLARED payable to holders of preference shares registered in the books of the undermentioned companies at the close of business on 6th June 1975.

The dividends are declared in the currency of the Republic of South Africa. PAYMENTS from London (in the case of companies which have London Secretaries) will be made in United Kingdom currency and the date for determining the rate of exchange at which the currency of the Republic will be converted into United Kingdom currency will be 9th June 1975.

WARRANTS in payment of the dividends will be posted on or about 30th June 1975.

THE REGISTERS OF MEMBERS of the companies will be closed from 7th to 13th June 1975, both days inclusive.

The dividends are payable SUBJECT TO CONDITIONS which can be inspected at the registered office or office of the London Secretaries of the company.

All companies mentioned are incorporated in the Republic of South Africa.

| Name of Company | Class of share | Dividend Number | Amount per share in S'th African currency |
|---|---|---|---|
| | | | Cents |
| Anglo-Transvaal Consolidated Investment Company, Limited | 6% Cumulative preference | 76 | 6 |
| do. do. | 5% Cumulative redeemable second preference | 55 | 5 |
| Anglo-Transvaal Industries Limited | 5.5% Cumulative preference | 62 | 5.5 |
| do. do. | 8% "A" Redeemable cumulative preference | 6 | 4 |
| do. do. | 8% "B" Redeemable convertible cumulative preference | 6 | 4 |
| Associated Manganese Mines of South Africa Limited, The | 7% Cumulative preference | 77 | 1.75 |
| Middle Witwatersrand (Western Areas) Limited | 8% "A" Preference | 6 | 4 |
| do. do. | 8% "B" Preference | 6 | 4 |

By Order of the Boards
ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT COMPANY, LIMITED
Secretaries
Per: E. G. D. GORDON

London Secretaries:
295 Regent Street
London W1R 8ST
20th May 1975

Registered Office:
Anglovaal House
56 Main Street
Johannesburg 2001

# SEMINARS

CONSUMER CREDIT ACT

WEDNESDAY 11 JUNE

A seminar for directors in distribution to discuss the implications of this most important new legislation concerning credit and hire licensing.

*Speakers will include Minister of State for Prices and Consumer Protection and the Director-General of Fair Trading*

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DAME MARGOT FONTEYN TRIBUTE. Public exhibition on the final plaster model for the bronze statue of Dame Margot Fonteyn at the Royal Watercolour Society Galleries, Conduit Street, W.1. From 10 a.m.-5 p.m. on Friday 23rd May.

DRIAN GALLERY, 5-7 Porchester Place, Marble Arch, W2. CHRISTIANE KUBRICK. 10.30-5.30. Sats. 10.30-1.

LORD METHVEN (1686-1974). Memorial Exhibition. Fieldborne Galleries, 63 Queen's Grove, N.W.8. 01-586 3600.

MALL GALLERIES, The Mall, SW1. ROYAL SOCIETY OF PORTRAIT PAINTERS 85th Annual Exhibition Adm. 40p. Mon.-Sat. 10-5 until June 7. Closed May 24-26 inclusive.

MALL GALLERIES. 40 Albemarle Street, Piccadilly, W.1. 20th Century British and European Paintings and large selection of Maritime Pictures (Realistic Prices). Gallery Booklets 5p. in aid of R.N.L.I and R.N.I.B.

ROYAL ACADEMY SUMMER EXHIBITION. Contemporary paintings, sculptures, etc. Until 27 July Wkdys. 10-6, Suns. 2-6. Adm. 60p (Monday 30p). And the PRIVATE ROOMS AND COLLECTED TREASURES Until 31st Oct. Wkdys. 10-6 (closed Tuesday) Sun 2-6. Adm. 50p Students and pensioners half price.

ROYAL FESTIVAL HALL. Spanish Book Exhibition. 3,000 books on varied subjects daily 2-9.30 p.m. 22nd May-1st June. Adm. free.

**GENERAL MANAGER**

required to start up and run joint English/Danish company in the insulation field. Marketing and financial experience essential. Knowledge of construction or allied industries useful. Must be capable of earning £10,000 p.a. and be ready to start almost immediately.

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Salary range: Senior Lecturers NZ$10,007 to $11,718—bar—$12,0?? to $12,742. Lecturers NZ$7,757 to $9,53?.

Further particulars conditions of appointment and application procedures obtainable from the Association of Commonwealth Universities (Appts), 36 Gordon Square, London WC1H 0PF.

Applications close 30 June 1975.


## PERSONAL


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## COMPANY NOTICES


ANNOUNCEMENT

Sociedad Minera Argentinora Boliviana S.A. (Mining Co.) hereby states that it has had no relations with Mr Aldo Molas or Marcello Indiati-Gerco, since August 1974. Argentinera Boliviana S.A. will not recognise any commitment performed on its behalf by the two persons before mentioned.
The Directory.

**117 INTERNATIONAL GROWTH FUND S.A.**

Société Anonyme
Headoffice: Luxembourg, 37, rue Notre-Dame
Trade Register: Luxembourg: B 10.452

The Statutory General Meeting of Shareholders held on May 5, 1975, resolved that a dividend of US$ 0.20 (20 cents) per share will be payable on June 16, 1975 to shareholders of record May 5, 1975 on presentation of coupon n° 4.

The Board of Directors

Luxembourg, May 5, 1975.

**DE BEERS CONSOLIDATED MINES LIMITED**
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 132 ON THE PREFERENCE SHARES

Dividend No. 132 of One Rand (R1.00) per share in respect of the six months ended 30th June, 1975, has been declared payable to the holders of preference shares registered in the books of the company at the close of business on 27th June, 1975, and to persons presenting coupon No. 132 detached from the preference share warrants to bearer. A notice regarding payment of dividends on coupon No. 132 detached from share warrants to bearer, will be published in the press by the London Secretaries of the company on or about 20th June, 1975.

The preference share transfer registers and registers of members will be closed from 28th June, 1975 to 11th July, 1975, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom transfer offices on or about 31st July, 1975. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 22nd July, 1975 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the company's transfer offices in Johannesburg or the United Kingdom on or before 27th June, 1975.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head office and London office of the company and also at the company's transfer offices in Johannesburg and the United Kingdom.

By Order of the Board
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
D. H. J. Pattison

London Office: 40, Holborn Viaduct, EC1P 1AJ.
Office of the United Kingdom Transfer Secretaries: Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.
20th May, 1975.

**THE CONSOLIDATED DIAMOND MINES OF SOUTH WEST AFRICA LIMITED**
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND No. 80 ON THE PREFERENCE SHARES

Dividend No. 80 of 3.75 per cent., equivalent to 3.75 cents per share in respect of the six months ending 30th June, 1975, has been declared payable to the holders of preference shares registered in the books of the company at the close of business on 27th June, 1975, and to persons presenting coupon No. 80 detached from the preference share warrants to bearer. A notice regarding payment of dividends on coupon No. 80 detached from share warrants to bearer, will be published in the press by the London Secretaries of the company on or about 20th June, 1975.

The preference share transfer registers and registers of members will be closed from 28th June, 1975 to 11th July, 1975, both days inclusive and warrants will be posted from the Johannesburg and United Kingdom Transfer offices on or about 31st July, 1975. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 22nd July, 1975 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the company's transfer offices in Johannesburg or the United Kingdom on or before 27th June 1975.

In terms of the Income Tax Legislation of the Republic of South Africa and of South West Africa, the following taxes will be deducted by the company:
Republic of South Africa Non-Resident Shareholders' Tax at the effective rate of 6.418 per cent.
South West Africa Non-Resident Shareholders' Tax at the effective rate of 7.150 per cent.

The dividend is payable subject to conditions which can be inspected at the head office and London office of the company and also at the company's transfer offices in Johannesburg and the United Kingdom.

By Order of the Board.
For and behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.
London Secretaries.
D. H. J. PATTISON.

London Office: 40 Holborn Viaduct, EC1P 1AJ.
Office of the United Kingdom Transfer Secretaries: Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.
20th May, 1975.

**GRANGES AKTIEBOLAG**

Copies of the Annual Report for the year ended 31st December, 1974 are now obtainable from—
S. G. WARBURG & CO. LTD.,
Coupon Department,
St. Albans House
Goldsmith Street
London EC2P 2DL.
21st May, 1975.

**INTERCOM**
**SOCIETE INTERCOMMUNALE BELGE DE GAZ ET D'ELECTRICITE**
Société anonyme
Place du Trône 1, Brussels, Belgium

NOTICE IS HEREBY GIVEN that the final dividend for the financial year ending on December 31st, 1974 will be payable from May 22nd 1975, net of Belgian withholding tax, at:
—BF 129 against presentation of coupon No. 19 in respect of shares No. 1 to 10.260.000;
—BF 86 against presentation of coupon No. 19P in respect of shares No 10.260.001 to 12.000.000.

Coupons should be lodged for payment at the current rate of exchange at the offices of:
—MIDLAND BANK LIMITED, Overseas Branch, P.O. Box 181, 60 Gracechurch Street, London E.C.3.
—BANQUE DE PARIS ET DES PAYS-BAS S.A., 30, Cheapside, London E.C.2.
—BANQUE BELGE LIMITED, 16, St. Helen's Place, London E.C.3.
—BARING BROTHERS AND CO. LIMITED, 88, Leadenhall Street, London E.C.3
—HILL SAMUEL AND CO. LIMITED, 100 Wood Street, London E.C.2.

By virtue of the bilateral tax convention between the United Kingdom and Northern Ireland on one hand, and Belgium on the other hand, withholding tax on dividends is limited to 15%.

Shareholders residing in the United Kingdom and Northern Ireland are entitled accordingly either to reclaim tax paid in excess of 15%, or by prior arrangement through their bankers to have the deduction of tax limited to 15%.

In either case, arrangements should be made through the shareholders and bankers.

**KUALA KAMPAR TIN FIELDS BERHAD**
(Incorporated in Malaysia)

The Transfer Books will BE CLOSED from 11th to 13th June 1975, both dates inclusive.

**ULTRAMAR COMPANY LIMITED**

NOTICE IS HEREBY GIVEN that the Ordinary Stock TRANSFER BOOKS of the Company will be CLOSED from the 24th May to 6th June 1975 both dates inclusive.

By Order of the Board
LIMEBEER & COMPANY,
Secretaries.

20th May, 1975.

**BOND DRAWING**

CHILEAN 5% LOAN 1910

NOTICE IS HEREBY GIVEN that a Drawing of Bonds of the above loan took place on 12th May 1975, attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when the following bonds were drawn for redemption at par on 1st June 1975, from which date all interest thereon will cease —

2 BONDS OF £1,000 NOMINAL CAPITAL EACH
Numbers:

| | |
|---|---|
| 115 | 713 |

5 BONDS OF £500 NOMINAL CAPITAL EACH
Numbers:

| | | | | |
|---|---|---|---|---|
| 774 | 991 | 1151 | 1542 | 1548 |

84 BONDS OF £100 NOMINAL CAPITAL EACH
Numbers:

| | | | | |
|---|---|---|---|---|
| 1859 | 2090 | 2133 | 2267 | 2449 |
| 2567 | 2698 | 2720 | 2970 | 3037 |
| 3551 | 4302 | 4417 | 4625 | 4626 |
| 4639 | 4642 | 4727 | 4855 | 5040 |
| 5094 | 5226 | 5265 | 5449 | 5648 |
| 5717 | 5994 | 5998 | 6313 | [illegible] |
| 6697 | 6998 | 7220 | 7471 | 7634 |
| 7874 | 7988 | 8000 | 8051 | 8080 |
| 8241 | 8463 | 8567 | 8694 | 8709 |
| 8777 | 8992 | 9115 | 9196 | 9374 |
| 9411 | 9766 | 9905 | 10015 | 10179 |
| 10737 | 10906 | 10988 | 11016 | 11018 |
| 11267 | 11454 | 11611 | 11816 | 11905 |
| 12008 | 12125 | 12219 | 12400 | 12412 |
| 12514 | 12558 | 12745 | 12746 | 13142 |
| 13425 | 13666 | 13676 | 13682 | 13689 |
| 13954 | 14009 | 14127 | 14180 | |

31 BONDS OF £20 NOMINAL CAPITAL EACH
Numbers:

| | | | | |
|---|---|---|---|---|
| 14439 | 14534 | 14545 | 14729 | 15050 |
| 15406 | 15967 | 15572 | 15772 | 15876 |
| 16075 | 16351 | 16714 | 16818 | 17030 |
| 17121 | 17282 | 17333 | 17616 | 17817 |
| 17975 | 18018 | 18134 | 18418 | 18499 |
| 18560 | 18592 | 18620 | 18823 | 18971 |
| 19139 | | | | |

122 Bonds amounting to £13,520 nominal capital.

Witness K. F. C. Baker, Notary Public.

Each of the above bonds when presented at the office of N. M. Rothschild & Sons Limited for redemption must bear the coupon dated 1st December 1975, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

The usual interval of four clear days will be required for examination.

N. M. ROTHSCHILD & SONS LIMITED
New Court
St. Swithin's Lane
London EC4P 4DU.
21st May 1975.


# Tax legislation now almost unworkable says advisory group

BY MICHAEL BLANDEN

EXISTING TAX laws are becoming "virtually unworkable" and there is a real danger that policing them will threaten accepted ideas of justice, Mr. Desmond Airey, president of the Institute of Taxation, claimed at its annual meeting yesterday.

He added: "If the manufacture of detailed tax legislation is to continue, the possibility exists that a breach of tax law will either become generally acceptable, or the new tax laws will have to be policed to an extent hitherto unknown in this country and by inquiry methods which would endanger our present concepts of freedom and justice."

In the present climate of re-organisation and rationalisation of businesses, he said, the present tax charging and anti-avoidance legislation "is now so complicated and cumbrous that it is virtually impossible for tax advisers to give advice on any major commercial plan of operation with the speed that the needs of commerce and industry demand."

Mr. Airey commented that the Government had turned in a short time from its intentions of tax simplification to increasing the number of new tax laws. There must be few Revenue officials and tax advisers now, he said, who had a complete working knowledge of the whole tax system. Even these were being overtaken by new laws.

## Specialising

Specialisation would be an answer, but for the inter-relationship between most taxes. And if it became necessary for the new generation of tax practitioners to specialise, then the extra recruitment to the tax profession would seriously detract from the availability of these people to commerce and industry where they were equally needed.

Mr. Airey said that the Inland Revenue and the Customs had built up a reputation of honest and competent service, devoted to the welfare of the taxpayers in general. "It is hoped that the Chancellor will recognise that the saturation point of tax laws could impair this healthy position," he said.

# Scots want State shipbuilding HQ

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE WEST of Scotland, which has been campaigning for five years for an increased share of new Civil Service employment, is asking Mr. Anthony Wedgwood Benn, Industry Secretary to put the headquarters of the proposed State-owned Shipbuilding Corporation on Clydeside.

Strathclyde Regional Council is the latest of a number of Scottish organisations to support this request. The Scottish TUC and the Scottish Council (Development and Industry) have raised the issue with the Prime Minister, and it is understood that the Government-owned company, Govan Shipbuilders, also backs the idea.

The region's case is based on the fact that until recently its post-war share of new Civil Service employment dispersed from London was less than 3 per cent. Following the Government's 1973 review of dispersal policy, Strathclyde set itself a target of 10,000 new Civil Service jobs.

Its planners argue that high local unemployment and the narrow choice of employment opportunities, particularly in the Clydeside conurbation, produce "a cycle of deprivation which justifies the creation of a unique concentration of Government office employment in the region."

The region points out that Scotland has a large share of the British shipbuilding and marine industry — employing nearly 44,000 people of the national total of 177,000—and that this contains a wide mix of building, including naval construction. Most of the employment is on Clydeside.

It also stresses that the location of the shipbuilding corporation HQ in the West of Scotland would ensure a close working relationship with the Government's Offshore Supplies Office (OSO), which is based in Glasgow and is concerned with extending the British share of engineering and marine business related to North Sea oilfield development. Scott-Lithgow on the Lower Clyde and Robb-Caledon on the Scottish east coast are heavily engaged in oil-related work.

Clydeside's major competitor for the headquarters is likely to be Tyneside. The lobbyists in the North-East of England are likely to argue that Glasgow has already done well with the Government's decision to locate the head offices of the OSO and the proposed British National Oil Corporation there.

In addition, the proposed Scottish Development Agency is to be located in Glasgow and will provide a limited number of jobs and the Government is transferring a large section of the Defence Ministry from London to Glasgow in the next ten years. This was expected to provide a peak employment of 7,000, although it is now thought that the figure will be nearer 5,000.

# Britain 'backward in business education'

By Michael Dixon, Education Correspondent

THE SLOW progress of the U.K., as compared with Continental countries, in providing education in business subject at undergraduate level i shown by a survey report jus released by the Egon Zehende international management con sultancy.

The survey covered 1,88 people with higher degree from major managemen schools and employed i Europe. Of the 653 in the U.K. only 3 per cent. had take their bachelor-level degree i business subjects.

The corresponding figure fo those in Switzerland was 19 pe cent.; for West Germany 14 for Belgium 15; and for Franc 26 per cent.

The U.K. contingent include a far greater share of accoun tants than did the groups i the other countries.

Probably because th graduates had mainly bee privately financed while a business school, very few— only 7 per cent.—came fro working class backgrounds About 31 per cent. had father who worked in the highe ranks of business.

Only 3 per cent. of the tot worked in production manage ment and only 3 per cent. i the motor industry.

Of the U.K. group, 21 pe cent. were in banking, with per cent. in the motor industr and only 3 per cent. in eac of chemicals and oil. In th first few years after leavin business school there was definite drift from othe sectors into banking an retailing.

The U.K. graduates, who ha had more working experienc before taking their manage ment degrees than any othe group, were generally th worst paid. The U.K.'s "sup ported lower cost of living the survey states, "would no seem adequate to compensat for the lower remuneration

Those in West Germany an Switzerland seemed to be th best paid. In general, servic companies paid the graduate more than did industri concerns.

The Egon Zehender survey also refutes the notion tha business graduates flit lightly from job to job. Nearly hal had not changed employer since leaving managemen school, and another 29 pe cent. had changed jobs onl once.

## LATEST WILLS

Sir Neville Cardus, the music critic and writer on cricket, left £12,559 gross

Sir Thomas Parry-Williams, former president of the National Eisteddford court, and first chairman of the BBC Welsh regional council, left £24,670 gross ......

Tax on estates no longer know

## APPOINTMENTS

# R. O. Steel to become chairman of Courage

Mr. R. O. Steel is to become chairman of Courage on August 1, succeeding Mr. R. H. Courage, who is retiring as chairman and from the Board of that company, and from the Board of the parent concern IMPERIAL GROUP, at the end of July.

The new chairman has been with Courage since 1946. He was appointed to the main Board in 1964 and became vice-chairman of Courage in 1974.

Mr. M. B. Bunting, managing director of Courage, is to join the Board of Imperial Group from July 31.

*

Mr. David Bucks, a director of Samuel Montagu and Co., is resigning from June 30 to join the Board of HILL SAMUEL AND CO. Mr. C. A. Bamford, at present an executive in Hill Samuel, will be appointed to the Board at the same time.

*

Mr. Robert H. Y. Mills has become a director of the BRITANNIA LEAD COMPANY. Mr. J. F. Burley is to retire from the Board and as London manager of MIM Holdings on June 30. From July 1, Mr. K. R. Barrett, who is already a director of Britannia Lead Company, becomes London manager of MIM Holdings and Mr. T. G. Morgan replaces him as manager of the lead refinery.

*

Mr. J. E. Brockwell has been appointed deputy managing director of POTTERTON INTERNATIONAL in addition to his position as financial director. The parent concern is Birmid Qualcast.

*

Mr. D. G. Shannon, a director of Willis Faber and Dumas, has joined the Board of PENSION AND INVESTMENT CONSULTANTS, of Dublin.

*

Mr. David S. Winterbottom has joined the Board of WHARF MILL FURNISHERS and has been appointed managing director.

*

Mr. J. B. Leslie has been appointed managing director of ALCAN IRELAND. Last year, Mr. R. F. Donahoe was appointed managing director designate of the company but following the death of a senior member of Alcan in Canada resulting in managerial changes there, Mr. Donahoe has been involved in other responsibilities in Montreal.

*

Mr. K. T. Holehouse, previously assistant controller—accounting at the head office of Turner Newall, has been appointed finance director of its subsidiary, TBA INDUSTRIAL PRODUCTS.

*

Mr. Guy de Speville has been named vice-president of business development in Africa for Kaiser Engineers. He will be based in London. The company is a division of Kaiser Industries Corporation.

*

Mr. John A. Boddy has been elected chairman of the COAL INDUSTRY SOCIETY.

*

The CLOTHING MANUFACTURERS' FEDERATION h elected the following officers f 1975/76: Mr. John Williams, cha man; Mr. Richard Camrass, seni vice-chairman; Mr. Harry Wad worth, junior vice-chairman; a Mr. William Garteen, treasurer.

*

Mr. D. C. Bandey has becon managing director and Mr. A. Escolme and Mr. R. A. Lea assistant managing directors METROPOLITAN PENSION ASSOCIATION. Mr. G. T. Barn Mr. D. J. Duncan, Mr. B. D. Gib Mr. D. H. E. Hudson, Mr. E. Poole and Mr. J. A. Powell ha joined the Board. Mr. F. Gra continues as chairman of th company and as chief executive the MPA Group. Mr. J. C. Anse Mr. G. Becher and Mr. M. Howell have been made directo of Employee Benefit Plans (Inte national).

*

Sir Archibald Ross has be appointed chairman of t DATASAAB, the U.K. subsidia of the computer division of t Swedish Saab-Scania Group.

## OBITUARY

### MR. E. F. J. PLUMRIDGE

Mr. E. F. J. Plumridge, depu chairman Pearl Assurance, h died. He joined the company 1928. In 1941 he moved to t Ministry of Aircraft Productio and remained in Governme employment until 1945 when h returned to the company.

## HOME CONTRACTS

# John Mowlem's £3.5m. sewerage worl

JOHN MOWLEM AND CO. has received a contract worth £3,352,631 from the Northumbrian Water Authority for the Willington to Low Walker section of the Tyneside north bank interceptor sewer. This will involve the construction of some 3.2 km of 2.830m. diameter brick lined sewer. When completed, the Tyneside north bank interceptor sewer will run from Newburn, west of Newcastle, to a sewage treatment works at Howdon, a distance of approximately 14 miles.

*

JOHN LAING CONSTRUCTION, Midlands region, has been awarded contracts totalling almost £2m. to build new homes for nearly 800 people in Nottingham, and Government offices in Loughborough, Leicestershire. The £1.6m. order for 176 houses and flats in Wells Road has been awarded by Nottingham City Council to Llewellyn Construction, Milton Keynes. Acting as sub-contractors, Laing will finish the homes erected by Llewellyn. The second contract, valued at £330,000, has been awarded to Laing by the property services agency of the Department of the Environment for the construction of Loughborough Crown Building, which will provide offices for the Inland Revenue valuation office, Customs and Excise, county court personnel and DoE vehicle examiners.

*

The inertial systems department of FERRANTI'S Scottish group has received approval to go ahead with the initial manufacture of inertial navigation systems for the production multi-role combat aircraft (MRCA), following the successful progress of its development programme.

*

DECCA RADAR has been awarded a contract worth more than £250,000 by the Department of Industry for a ship simulat suitable for the training of brid teams, including ship's officer pilots and helmsmen. The fir of its kind in the U.K., t simulator is capable of providi anti-collision, navigation, pilota and ship handling exercises f ships between 500 tonnes a 500,000 tonnes, with the vess responding correctly to wheel a throttle, and including the effec of tidal stream and depth water under the keel. Manoeuvri behaviour is governed by computer mathematical mod developed jointly by the Nation Physical Laboratory ship divisio and Decca.

*

DISERNES, East Kilbride, Anglo-Swiss company, has won order worth £185,000 to supp insulated partitions and doors f the new Glasgow abbatoir co storage complex.

مكتبة الأمل

# FINANCIAL TIMES SURVEY

Wednesday May 21 1975

# SEYCHELLES

**The Seychelles islands in the Indian Ocean, which are due to gain independence from Britain next year, make up a community whose economic prosperity is being transformed largely by exploitation of its tourist resources. But a few political questions need to be clarified before independence.**

## Tourist paradise takes shape

WITHIN about a year Seychelles, the cluster of 90-odd islands about 1,000 miles east of the coast of Kenya, should be an independent state. The dwindling stock of British colonies will have been reduced by one and there will be one more voice at the United Nations and another member of the Commonwealth.

It would be misleading to infer from this that the inhabitants of Seychelles are all obsessed with the fervour of uhuru. Both the islands' political parties fought the last election in April, 1974, on independence platforms and a constitutional conference in London last March agreed that independence should be granted by June next year. Seychelles is thus committed, but there are still Seychellois who, while accepting the inevitability of independence, doubt whether it will be a success.

Seychelles has a population of about 56,000, most of whom live on the main island, Mahé, and a large number of those in the capital, Victoria. There are no indigenous inhabitants and the people come in every shade from white to black. Although English is the official language, they speak créole, a French patois, among themselves. They are almost all startlingly attractive, as indeed are the islands they live on, and race relations are no problem, although people usually try to marry someone with a lighter skin than themselves.

Until a few years ago the economy was almost entirely dependent on exports of copra (dried coconut) and cinnamon, and even now the value of imports is more than ten times that of exports, the balance of payments gap being made up with capital inflows and large sums of British aid. But although Seychelles is not yet viable its economy was transformed in 1971 when a £6m. airport was opened on Mahé, triggering off fast growth of a tourist industry. Last year, 26,000 tourists visited Seychelles and up to 40,000 are expected next year.

Seychelles does not intend to rely entirely on tourism for its future prosperity. It hopes to develop a deep-sea fishing industry, to improve its agriculture and to capitalise on its good air communications and lack of exchange control by becoming an offshore financial centre. It balanced its budget for the first time this year but will need budgetary assistance from Britain after independence to meet the expenses of setting up a new State. It wants representation in London and possibly also New York (at the UN) and wants to make some provision for internal and external security given the fact that Britain is not offering a defence agreement.

Aid for the recurrent budget is not usual for independent states so it needs to be explained why Seychelles is becoming independent at a stage some might judge premature. Initially Mr. Jimmy Mancham, the 36-year-old Chief Minister and leader of the Seychelles Democratic Party (SDP) wanted closer links with Britain and bravely told the UN Committee on Decolonisation so, arguing from a mixture of sentiment and economic practicality.

### Opposition

But two factors forced his hand. One was that Britain did not reciprocate his attentions, especially in view of the withdrawal from east of Suez. The other was that the opposition party, the Seychelles United Peoples Party (SPUP), made independence a red hot issue, and were designated freedom fighters by the OAU Liberation committee, which sent them relatively large sums of money (up to £80,000 according to most estimates) for the last election campaign. Over the past few years a number of bombs have been exploded, apparently in the cause of independence.

The independence movement became so effective that in April 1974 Mr. Mancham abruptly switched his policy and fought an election on the issue of which par'y should lead Seychelles to independence. He won a decisive majority of seats in the Legislative Assembly (13-2) but because of the constituency system which reflects Westminster in a somewhat grotesque way, he was able to do so with only about 52 per cent. of the vote against 48 per cent. for the SPUP.

The result only exacerbated the bitterness of the islands' politics and the antagonism then existing between Mr. Mancham and Mr. Albert René, the leader of the SPUP. There were allegations of electoral malpractice against the SDP and two by-elections were held, which the SPUP did not contest in protest against the electoral system. The SDP is a conservative party and draws much of its support from business and landowners. It also represents those who want to keep strong links with Britain. The SPUP is not unlike the British Labour Party in the wide spectrum of views which it straddles and the problems it creates for its leader, who is himself a fairly mild socialist.

But many Seychellois decide how to vote according to whether they prefer the personality of Mr. Mancham, who has achieved a world wide reputation as a bouncy publicist for Seychelles, or that of Mr. René, who is a man of greater subtlety and a lower profile. The SDP's stature has grown from being in Government and the SPUP has acquired a reputation for opportunism which some call irresponsibility. It came as a shock therefore to some observers of Seychelles affairs that at the end of the constitutional conference in London. Mr. Mancham asked Mr. René to join him in a Coalition Government. Mr. René accepted, and the coalition comes into effect next month.

Mr. Mancham went into the conference hoping it would agree on an early date for independence, and establish a constitution in which the SDP would retain its commanding position even if the number of seats in the Legislative Assembly had to be increased by adding nominated members from each Party. But Mr. René stalled on so many issues, pressing for reform of the electoral system, and new elections before independence that there was no agreement on an independence constitution. It was finally agreed that a commission should look into the electoral system and that a new conference should take place next January, with June the target date for independence.

The interim constitution, which comes into action on September 1, sees the reduction of the powers of the Governor, Mr. Colin Allan, in favour of those of the Chief Minister. There are to be 12 Ministers, four of them provided by the SPUP under the coalition agreement. Each party is nominating five members to the assembly, and in the SPUP's case three will immediately become Ministers.

Although Mr. René will now presumably have to stifle his criticisms of government policy his intransigence at the conference table paid off. His party will gain weight from being in power and he will be able to challenge the previously accepted notion that Mr. Mancham would be Seychelles' first Prime Minister. If the electoral system is changed it could well favour his party, especially if the voting age is lowered from 21 to 18. The issue of whether or not there should be an election before or after independence has yet to be settled, although it would be contrary to the agreement reached between the two parties before the last election. It is not favoured by Britain.

The extended run-up to independence will at least divert the islands' politicians from the developing power struggle in the Indian Ocean which is likely to intensify if the Suez Canal is reopened. The islands are strategically placed and could attract Soviet attention. Both political parties stress that they want to be neutral and see the Indian Ocean as a zone of peace.

### Delicate

This is a cause which Mr. René may well invoke if, as he has hinted, he raises at the next constitutional conference the delicate issue of the future of three islands which are not part of Seychelles but which are in the Seychelles archipelago. The three islands—Aldabra, Farquhar and Desroches — were detached from Seychelles in 1965 and lumped with the Chagos archipelago into the British Indian Ocean Territory.

The Territory, known as BIOT, was set up in agreement with the U.S. Government and straddles more than 2,000 miles of the ocean. Accord was reached at the time with the Seychelles Government and legislative assembly. In return for the possible use of the islands the U.S. provided the money which went to the building of Mahé airport and other developments.

Similarly Mauritius was compensated for the loss of the Chagos archipelago which includes the atoll of Diego Garcia on which the building of a U.S. air and naval facility is now going ahead. Of the three islands of concern to Mr. René, Aldabra is leased to the Royal Society for natural history study and the other two are leased to Seychellois for coconut production.

Mr. René contends that the three islands are a "natural" part of Seychelles and that their return would restore the "integrity" of the island state. What does and does not constitute a "natural" part of Seychelles is a nice question. In 1903 Seychelles was detached from Mauritius and it is pointed out that Seychelles might as logically ask for the return to Seychelles of Mauritius (which has been independent since 1968) and the islands it owns, some of which are fairly close to Seychelles.

The latest defence cuts further reduce Britain's role east of Suez and it would be inconceivable that Britain should now want to make use of the islands for defence. It would probably be content to see them returned to Seychelles in due course, but this would depend on U.S. consent because of the agreement with the U.S. Government. Mr. Mancham has also adopted the issue in a minor way, perhaps in order to pre-empt Mr. Rene, and he recently raised it in the U.S. with a view to making the Americans take his line in the periodic Anglo-U.S. talks on the Indian Ocean, a session of which ended yesterday.

It needs to be stressed that there are few points of policy on which the two parties are seriously divided. There is little between them on the issue of development strategy, and on foreign policy Mr. Mancham has become reconciled to his former bugbear, the OAU, of which Seychelles will on independence be a full member, while Mr. René is aware that for economic reasons a pragmatic approach to South Africa—and especially to South African tourists—is advisable. As a dependent territory Seychelles is an associate member of the EEC, and this will continue after independence.

The only real issue between the two parties, which is not likely to be muffled in coalition, is who the future ruler of Seychelles is to be.

**James Buxton**

**BASIC STATISTICS**

| | |
|---|---|
| Area | 90 islands 107 sq. miles |
| Population | 56,000 |
| GDP (1974 est.) | Rs.155m. |
| Per capita | Rs.2,800 (est.) |
| TRADE (1973) | |
| Exports | Rs.12.9m. |
| Imports | Rs.141.4m. |
| Exports to U.K. | £120,000 |
| Imports from U.K. | £3.1m. |
| TRADE (1974) | |
| Exports to U.K. | £243,000 |
| Imports to U.K. | £3.0m. |
| Currency | Seychelles rupee £1=Rs.13.3 |


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the Seychelles and even on Bird Island for over 93 years

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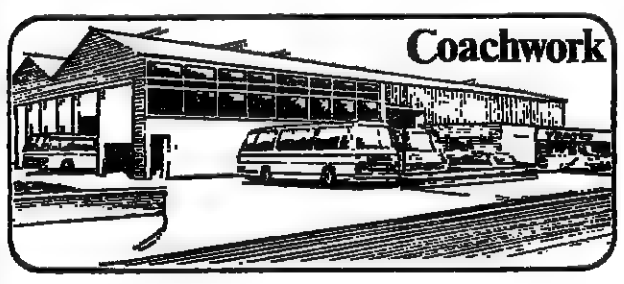
The YEATES Group


Cinnamon is the main crop grown and processed in the Group's Machabee estate on the island of Mahe. Machabee is also attracting increasing attention for its private homes sites situated within our estate area. Not only is Machabee a perfect setting—it is also the location of the island's leading property and estate agency whose manager is resident on the estate and who can give unequalled attention to clients—from site purchase through to finished home.

As Britain's leading bus and coach suppliers, Yeates cover the British Isles. The Yeates Coach Centre at Loughborough, Britain's largest and best equipped—with superb service and parts facilities, often carries one million pounds worth of new and used coaches in stock for immediate delivery. No wonder the nation's coach operators look to Yeates for quality and value—no one can beat Yeates for bus and coach value! Yeates commercial service facilities also provide comprehensive maintenance for large and small truck operators.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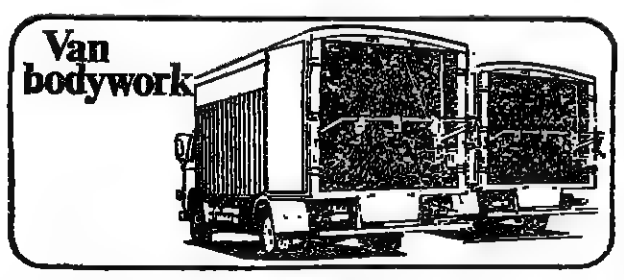


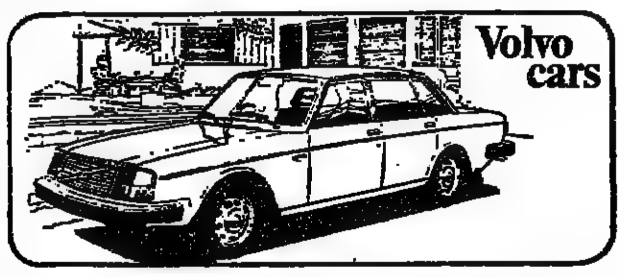


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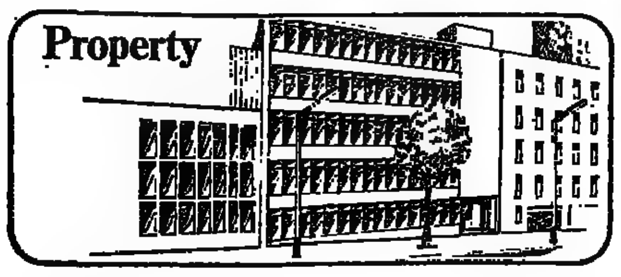


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# An economic transformation

IF AN HISTORIAN sits down in the early 1980s to write an economic history of Seychelles he will probably divide it into three sections. In the first he will deal with the history of the islands from their discovery in 1609 to the completion of the airport in 1971, describing an economy which, at least for the last 160 years of British rule, was almost totally dependent on exports of copra (dried coconut) and cinnamon, and on subventions from Britain.

Next he will cover the hectic years from 1971 to 1974 during which the economy was transformed by the fast growth of tourism and during which the construction industry became the islands' largest single employer. In the third section he should deal with the 1975-80 period during which the distortions created in the second period were ironed out and Seychelles proceeded more soberly to create a secure economic base, attaining viability around the end of the decade.

## Statistics

Given fair economic and political winds the historian should be able to stick to this brief synopsis for the third section. But Seychelles is a long way from viability at the moment. Reliable balance of payments statistics do not exist but the trade figures show that in 1973 imports were valued at Rs.141.4m. (£10.6m.), while exports (not including re-exports) were Rs.12.9m. (£970,000)—less than one-tenth of imports. The balance of payments gap is met by inflows of private capital (of which no reliable estimate exists since there is no exchange control) and by development aid from Britain which in both 1974 and 1975 is about Rs.57m. (£4.2m.).

In the next five years Seychelles hopes to reach a situation in which it will not have to rely on development aid to balance its payments account, although British aid will be forthcoming for at least the next five years; after independence aid from other countries can be expected.

The Seychelles government is balancing its recurrent budget for the first time this year but in the first few years of independence it will require grant in aid again to meet the expenses of establishing an independent state. The islands will need representation in London and possibly New York, and since Britain is not offering a defence agreement some rudimentary defence provisions will have to be made.

In the next five years Seychelles will have to try to hold imports steady and increase exports; it will also have to increase its earnings from the tourist industry and other activities and attract more capital to the islands. The structure of the economy will gradually change. In 1974 the total gross domestic product of the islands was estimated at Rs155.3m., with the largest single sectors being agriculture at Rs28.8m., construction at Rs20.7m. and tourism at Rs13m.

Projections by the islands' economists assuming a relatively low rate of growth suggests that GDP will grow by 43 per cent. between now and 1980. Growth this year is estimated at 4.8 per cent., but 1976 and 1977 should see much quicker growth, with a gradual slowing of the growth rate thereafter. By 1980 it is expected that tourism will be the leading sector, followed by agriculture (including fishing) and then construction, whose contribution to GDP is expected to remain around the level it reaches in the next year or so.

The development projects on which these forecasts are made are considered fully in an accompanying article. But one of the principal aims of development strategy will be to try to correct some of the distortions to the economy which were created by the period of fast growth from 1971 to 1974.

The airport was completed in the middle of 1971 and from then on economic activity focused on the construction of hotels for the tourist industry. As money poured in to pay the construction workers, and as the tourist industry began to employ increasing numbers of Seychellois, the standard of living in the islands rose steeply. Cars appeared in large numbers on the narrow roads of Mahé. Prices went up steeply too—for the lower paid workers they more than doubled between 1969 and 1974. GDP is thought to have grown by about 16 per cent. over the four years from 1970—but in a jerky fashion with a sharp rise in 1971-72 and a fall in 1973-74.

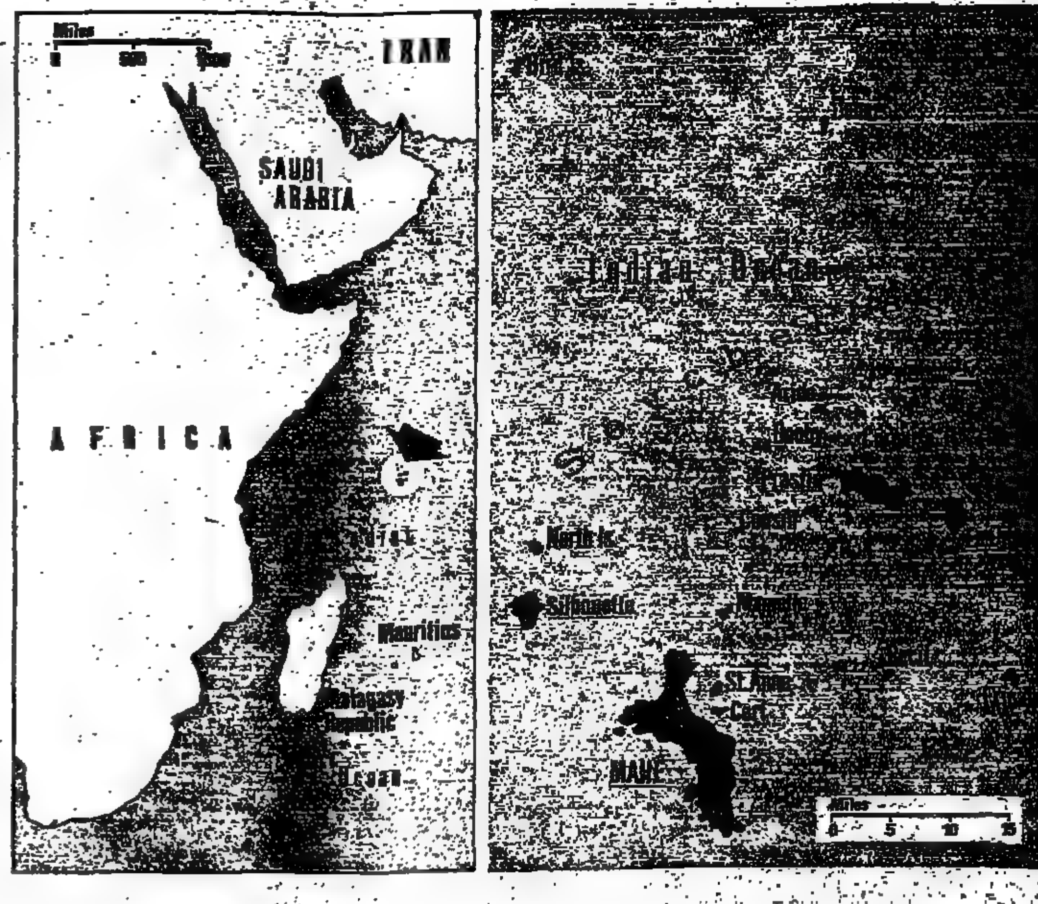
## Recession

By 1973 the construction industry was employing nearly 4,000 people from a total private sector labour force of 9,500. But the world recession last year brought a sharp decline in construction activity as existing hotel projects were completed and new ones were shelved. By the end of 1974 construction employment had fallen to about half the level of the previous year.

Because of this construction slump the unemployment rate is thought to be at about 10-15 per cent. although in a relatively undeveloped economy such as that of Seychelles such figures are unreliable; a good deal of job sharing is known to go on. The figures are swollen, however, by the arrival on the labour market of large numbers of school leavers. The obvious potential for unrest is exacerbated by inflation: in the past year alone retail prices are thought to have increased by about a third.

The high wages paid in the construction industry have drawn labour away from agriculture and so caused stagnation in many sectors. Although there has been some drift back to the land and to fishing in recent months as unemployment has mounted this has not been as large as it might have been because many Seychellois associate agricultural work with slavery and prefer to do nothing. Fortunately, however, the tragic feature of well-educated young people leaving school to find themselves without a job is rare in Seychelles, since the education system is at the moment well-tailored to the economy's needs.

The recession fortunately has not affected the number of tourists visiting the islands—bed occupancy rates have remained very high—and there are now signs that construction work will pick up again. Although work on one hotel should finish in the next few weeks, construction of another should start later in the year and there are good hopes of two new projects getting under way next year.




But the real boost to the economy is not likely to come until the details of independence have been settled and the political future seems clearer. Many Seychellois who did well out of the sale of land for tourist development in the last few years transferred it to high interest - earning deposit accounts in the Channel Islands. Some of this money is at last beginning to trickle back to the two Seychelles banks, Barclays and Standard and Chartered, lured by more competitive interest rates than were offered in the past and aided by the absence of exchange controls. But there has yet to be such a rush of money back to Seychelles as to suggest that Seychellois were preparing to invest in their own country.

One of the main constraints to economic growth so far has been the cost of expanding the islands' infrastructure. The roads are good compared with many islands of similar size, but they are probably inadequate for the number of cars now using them. The electricity supply is adequate for the present level of demand, but there has long been a water shortage despite the 100 inches of rainfall a year which Seychelles gets. One of the next projects to be tackled, with the assistance of the Ministry of Overseas Development, is the building of a £3m. dam to retain water in a reservoir. This is now expected to go ahead this year.

## Telephone

Telecommunications are handled by Cable and Wireless, which operates the islands' telephone service, provides telephone and telex links by radio to Nairobi and Bahrain for connection further afield, and operates the telecommunications for the police and airport. A new telephone exchange with a capacity of 2,000 lines is being built at a cost of £360,000 to be ready in mid-1976. The company is ready to expand its overseas links when demand necessitates it but has no immediate plans to do so.

A new port at Victoria, the capital, was opened in March this year after costing £2.5m. to build on land reclaimed from the sea. This will transform the islands' cargo transport since ships of up to 700 feet in length will now be able to moor at the quay: until now all but the smallest have had to anchor in the bay outside and use lighters for unloading. But because of the narrow channel through the coral, ships over 350 feet long will have to be towed into harbour by a tug, which is now on order from Hong Kong.

But even with faster handling there are still likely to be problems at the port. Shipping services to Seychelles tend to be spasmodic and although 300 ships use the port a year often two or three tend to come simultaneously. The new port has room for only two ships at a time, so the lighters are not being dispensed with.

The airport employs about 300 people, and last year handled 25,000 people on overseas flights with about 140 aircraft movements per month. This year the airport's revenue should not fall far short of expenditure and the airport handling company, Aviation Seychelles, in which the Government has a 60 per cent. stake, made a 15 per cent. return on capital in its first full year of operation.

This year £90,000 is to be spent on strengthening the runway shoulders to accommodate Boeing 747s, but there are no plans so far to expand the terminal building which is already too small and can only handle two flights at a time in comfort. Air communication links are impressive. Although there are no flights at all on Mondays and Tuesdays, on other days there are direct flights to East Africa, South Africa, Europe and the Far East by six IATA carriers—British Airways, East African, Air France, Air Malawi, South African Airways and British Caledonian.

The airport management has been trying to complete Seychelles' position as an Indian Ocean air "junction" with services to the Gulf and to Australia, but so far without success.

There are also inter-island services from the airport operated by Air Mahe which has two Britten Norman Islanders each carrying nine passengers. So far Praslin and Bird Island have landing strips and others are projected. Both the airport and the port generate useful revenue for the Government.

**James Buxton**

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# Wildlife sanctuary

SEYCHELLES is a rich, fertile group of islands, with a great wealth of plant, animal, bird and marine life, some of it unique. It is difficult to understand why they were uninhabited until the French arrived in the late 18th century. The Arabs called and went away as did the ubiquitous Portuguese, leaving no traces of settlement. There was, presumably, no native race to do the hard work in the hot, humid climate. It was a land occupied by myriad birds, giant tortoises, dugongs and turtles. Fish abounded. There were crocodiles, but few land mammals.

The birds are among the greater glories of Seychelles, and it is a favourite haunt of bird watchers and ornithologists. A prominent Seychellois, Mr. Guy Savy, has 2m. seabirds living in his back garden for some five months of the year; he owns a strip of coral called Bird Island, about 50 miles from the main island of Mahé and to this desolate, beautiful spot the sooty terns fly in to breed in huge, raucous colonies. Then they fly off with their young—to what place, or region nobody knows.

## Recovered

I was told of an ornithologist who visited Bird Island to study the sooty terns. With the help of Mr. Savy's wife, Marie-France, he managed to ring a few thousand. Only one was later recovered, in Western Australia, and that was believed to have been blown off course by a storm.

It is also a mystery why the sooty terns choose Bird Island as a breeding place, totally ignoring Denis Island, 25 miles away, which is a similar coral island. That is not the end of the wonders of Mr. Savy's private bird sanctuary. It is a permanent rookery of bird life, alive with movement and a bedlam of crying and screaming.

The coconut palms and casuarinas are filled with thousands of delightful fairy terns. They are white, with coal black eye sockets and beaks, perching or lying along the branches like flecks of snow. They are permanent residents of Bird Island, as are also the black and brown noddy terns and other birds such as the white-tailed tropic bird.

In most other islands of Seychelles the fairy terns were almost exterminated by barn owls, brought from East Africa to kill the island rats. Instead they must have found the fairy terns an infinitely more delicious meal. Barn owls are prohibited immigrants on Bird Island.

An airstrip was built to bring visitors and to service Mr. Savy's little residential lodge and one wonders how the little Islander plane of Air Mahé, which calls almost every day, has not frightened the birds away. But Mrs. Savy says that the birds are coming in larger numbers than ever. With birds wheeling and swooping across the airstrip it is strange that there has never been a plane-bird collision.

Bird Island is strictly protected and the Government has stopped the big trade in commercial egg collecting which threatened to decimate the breeding grounds. On Seychelles there are 12 species of land birds which do not occur elsewhere. Many can be seen on the rich forest slopes of Mahé's granite peaks and on some of the smaller islands. Among them are the world's smallest falcon, the Seychelles kestrel, the black paradise flycatcher, found only on La Digue island, and there is a tiny colony of the rare black parrots in the Vallée de Mai, on Praslin, home of the coco-de-mer. One hears the parrots whistling away, but seldom sees them.

There are now no crocodiles in Seychelles. Why they ever lived there is a mystery, but they were noted in several sailors' diaries, and appeared

CONTINUED ON NEXT PAGE

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Mr. Bill Henderson talking to a tea picker on one of his Seychelle Tea Estate plantations.

# Development plans range widely

THE SEYCHELLES Government believes that the two most promising sectors of the economy for the next five years are likely to be tourism and fishing. The plans and the problems of the tourist industry are dealt with in a separate article, but whereas the foundations of the tourist industry's expansion have already been laid the same cannot be said for fishing.

That is not to denigrate the important progress which has been made in the fishing industry in the past two years. With the establishment of cold storage plants, and the institution by the Government of a scheme offering loans to fishermen to help them buy boats and engines, fishing catches have improved. Fishermen now go further out to sea and the cold storage plants help to even out the supply of fish to the market between the calm season when most fishing is done and the windy season when it is usually too rough for the boats to go out.

The value of the fishing industry's contribution to the economy was put at Rs4.2m. in 1974. But if the ideas for expansion which are now being considered go ahead, fishing's value to the economy could double in the next five years.

So far the big shoals of tuna fish which swim around the edge of the Seychelles bank have not been fished, at least not from Seychelles. But if a trawler fleet were established with a marketing organisation to support it Seychelles could export large quantities of fish (at the moment it just exports the small surplus left over after domestic needs have been met).

The scheme would probably involve a private company going into partnership with the Government, and British aid would be required. To make sure that Seychelles gained full benefit from the project there would have to be strict safeguards against over-fishing, and the trawlers would have to employ Seychellois crews. Consultants are expected to go to Seychelles later this year to make a feasibility study of the project.

If the fishing industry developed sufficiently it might be able to support a processing plant for making fishmeal and other fish products. Manufacturing industry on the island is on a very small scale, consisting largely of a brewery (under German management), a cigarette factory and a furniture factory which manufactures for the hotels and is beginning to export to the Gulf. The local market is naturally very small and the cost of exporting goods is high. Nor is the supply of labour inexhaustible. Nevertheless some growth in this sector is expected if an independent Seychelles can attract sufficient private investment, which it is anxious to do.

## Crops

One of the biggest problems the Seychelles Government faces is that of raising agricultural production. The area of cultivable land is very small (only about 2,500 acres out of a total of some 35,000 on Mahé) and the soil is mostly poor, but even with these disadvantages remarkably little is made of what resources are available.

The two main crops are copra and cinnamon. Copra is the fruit of the coconut palm, which grows all over the island and must be one of the most beautiful trees in the world. Copra is exported for the manufacture of vegetable oil. Cinnamon grows wild in profusion on the island, particularly on the higher slopes. It is exported mostly to the U.S. as a herb. The harvesting of these crops is not in the least onerous, but output of both has been in decline in recent years. In 1974 2,125 tonnes of copra was exported, compared with 3,546 in 1971 and 5,548 in 1961. Only 640 kg. of cinnamon leaf was exported in 1974, compared with 11,356 kg. in 1971 and 83,249 kg. in 1961.

One reason for this sharp decline is the drift of labour away from agriculture with the start of the tourist industry. Not even the slump in construction has persuaded many workers to return to agriculture, which is tainted with associations of slavery. Another reason for the decline is the fact that much of the land is owned by landlords who have made money out of selling plots for tourist development and have no acquisitive spirit left. For a variety of reasons, some of them social, many estates are operated on a care and maintenance basis.

This is a sore disappointment to the island's ambitious agriculture department, although it has achieved some successes in recent years in developing livestock production. Seychelles is now self-sufficient in pork and eggs, and is close to self-sufficiency in poultry, all of which helps to cut the imports of food to feed the tourists. Tea is grown with some success in the higher areas.

But much more could be done. Few of the vegetables which flourish in tropical climates are grown; limes for the production of lime oil could be planted on the higher slopes: cattle could graze under the palm trees and eat coconut and sugar cane byproducts. There is also scope for agriculture-based industries—such as a coconut oil plant—which, because of the high added value, could pay good wages and attract labour back to the land.

Such schemes would depend on foreign aid donors who would want to be convinced that they would be viable. The Government has tried various schemes to shake farmers out of their inertia—there are advisory services, and a loan scheme to encourage the replanting of coconut palms, for example. Farmers who have returned to Seychelles from East Africa have set a dynamic example to the sluggards—but the example is not always emulated.

More drastic measures are now being discussed, not just by the former Opposition Party but in the agriculture department itself. It has been proposed that land which is not being fully utilised should be compulsorily bought by the Government and let out in small portions to other farmers, who would have to pay an economic rent for it.

The Government hopes to see growth of about 2.5 to 3 per cent. a year in agricultural output over the next five years. This would mean that agriculture kept fairly close to the annual percentage increase of population which is estimated at 3.2 per cent.

Apart from tourism, fishing and agriculture there are other schemes for economic development in Seychelles which have been mooted but which are a long way from being implemented. One idea is that a school should be set up to train Seychellois as seamen so that they could serve on ocean going ships, as happens in the Gilbert and Ellice Islands in the South Pacific. It is recognised that the initial costs would be great and that it would be several years before there were any returns.

## Delays

Another possibility is to make more use of the port which has surplus capacity for storage. Because of the long turnround delays in the East African ports of Mombasa and Dar Es Salaam it might be worthwhile for a large ship coming from Australia, or from Europe if the Suez Canal re-opens, to drop its East Africa-bound cargo at Seychelles for transhipment to Kenya or Tanzania and sail on elsewhere with the bulk of its cargo.

A more ambitious project which has been suggested is that the port is expanded and converted to handle containers and used as a "pivot" port. A large containership from Europe could unload all its containers at Seychelles from which they would be redirected in smaller loads to East Africa and possibly the Gulf and India. This would be an expensive project to undertake since it would mean reclaiming a large amount of land from the sea, and would only be worth while if the shipping companies gave firm guarantees that they would use it, since Seychelles on its own could never generate enough trade to justify containers.

Finally Mr. Mancham, Seychelles Chief Minister, has spoken of the islands becoming a world financial centre. The idea was given a fillip by the ending of exchange control, except in certain cases, last year. Ideas are at present fairly vague, but the possibility of Seychelles becoming a tax haven has been discussed. This would require the complete redrafting of the islands' tax laws and an expansion of its legal establishment, since Seychelles has only four lawyers at present. With tax havens becoming increasingly unpopular with the treasuries of the western world this idea may not come to anything.

The more wholesome idea of becoming an offshore banking centre may be more realistic and one City of London merchant bank which operates in the Far East has discussed the possibility of opening an office in Seychelles. With its good air communications, it is fairly convenient for the petrodollar concentration in the Gulf. Another possibility is that of setting up a Free Port for the sale of duty free goods. Another is registering shipping under a flag of convenience. These are questions which will have to be decided after independence.

**James Buxton**

# Wildlife

CONTINUED FROM PREVIOUS PAGE

to have been similar to the Nile crocodile of Africa. They were very big and extremely fierce, and were often seen swimming out to sea to do battle with the sharks. The crocodiles appeared to have become extinct about the middle of the 19th century. Sharks, incidentally, keep their distance out in the deep waters beyond the continental shelf.

The numbers of the giant tortoises for which Seychelles was once famous have now dwindled to a few tame creatures lumbering about in gardens and back yards. Their main home, and one of the last left in the world, is the nature sanctuary at Aldabra, once a Seychelles island but now belonging to the British Indian Ocean Territory (BIOT) and leased to the Royal Society. Some 100,000 of these prehistoric creatures lay their eggs there peacefully, protected by the Royal Society. The giant tortoise population of Seychelles was once numbered in tens of thousands, but huge quantities were slaughtered and exported for food, largely to Mauritius.

Similarly, the slaughter of the turtles has been so widespread over the years that they also are in danger of extinction, though strictly protected by the Seychelles Government. So prominent was the turtle in Seychellois lore that it appears in the official coat-of-arms. The green turtle, the one used for meat and Mansion House soups, used to abound in these waters.

Not suitable for food, the hawksbill turtle was highly prized and caught in vast numbers for the tortoise shell industry, which once thrived on the islands. Hawksbills are more prevalent round the granite islands of Mahé and Praslin than green turtles, which breed round the outer coral islands in teeming colonies.

The huge rainforests of Seychelles were ruthlessly cut down and the timber exported many years ago, but the steep mountain sides of the granite islands are still thick with tropical trees and plants. There are many rare plant varieties such as sweet-smelling orchids. Another is the striking Pitcher Plant, a climber equipped with hollow receptacles, each with a kind of lid, and often containing water. They are, in effect, traps for insects on which the plant feeds. Believed extinct, but now given new life, is the jelly fish plant, so called because of its seed which looks like a jelly fish when opened.

The botanical wonder of Seychelles, however, is the coco-de-mer, which grows on giant palms, some 100 feet tall, found in one place only in the world, the Vallée de Mai, on Praslin Island. Some 4,000 of these palms grow down the long valley. Their fruits growing on the female palm resemble a human female pelvis. These nuts used to float across the Indian Ocean to the Maldives and India, and were highly prized as aphrodisiacs. The name, coco-de-mer, comes from the legend that they grew on submarine trees, and it was not until a Frenchman discovered the Vallée de Mai in the late 18th century that the age-old mystery was solved.

The coral reefs of Seychelles harbour some 300 species of fish and more than 100 kinds of coral, as well as hundreds of fantastic and beautiful shells. The coral itself is, of course, a living thing, needing plenty of light and warm water. Many fish, caught and eaten by man, depend on the coral reef for a livelihood, which is why Seychelles has protected most reefs by law, not perhaps before time as they were being stripped by coral and shell collectors.

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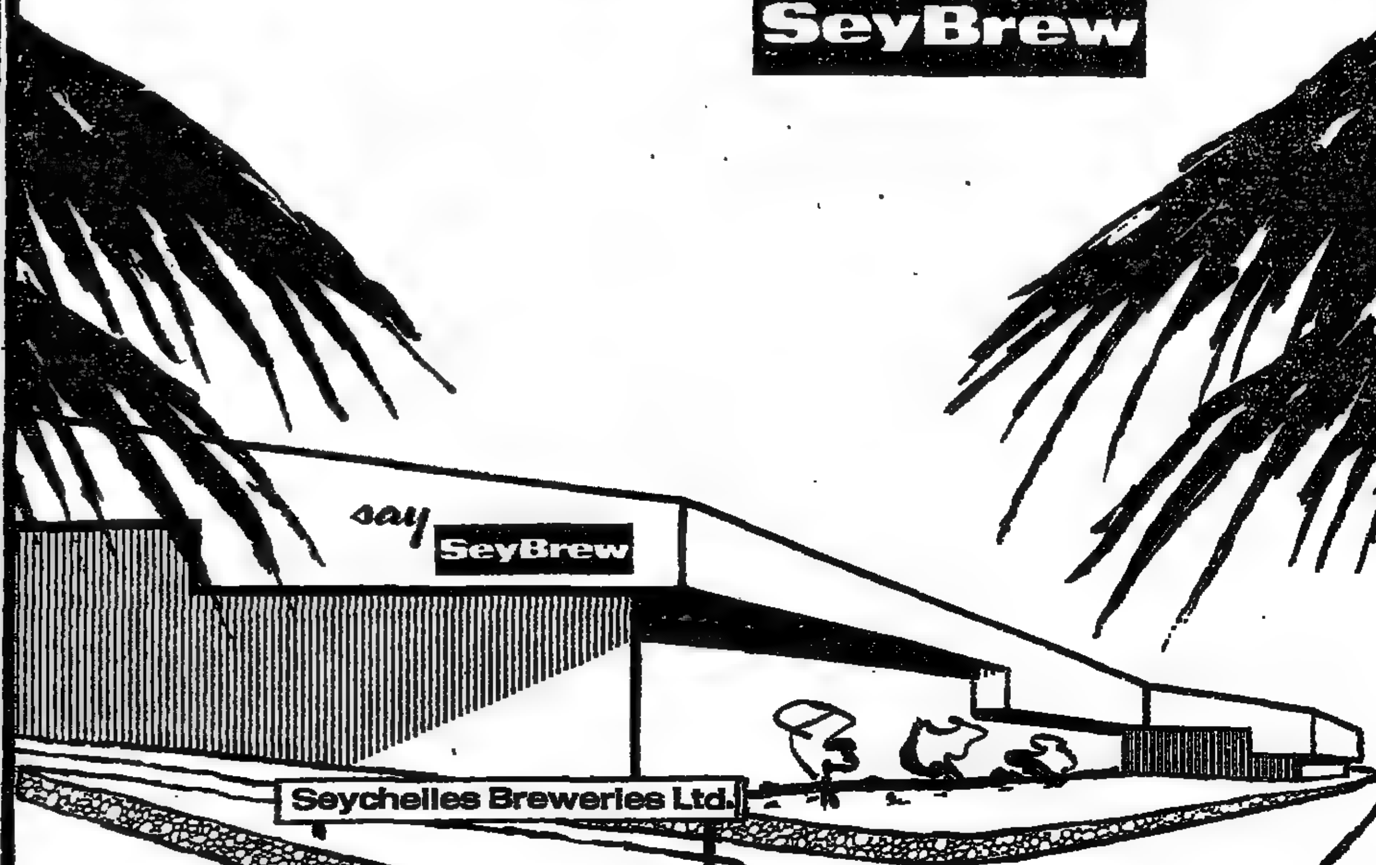


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Has detailed planning for additional 10,000 Square Feet.

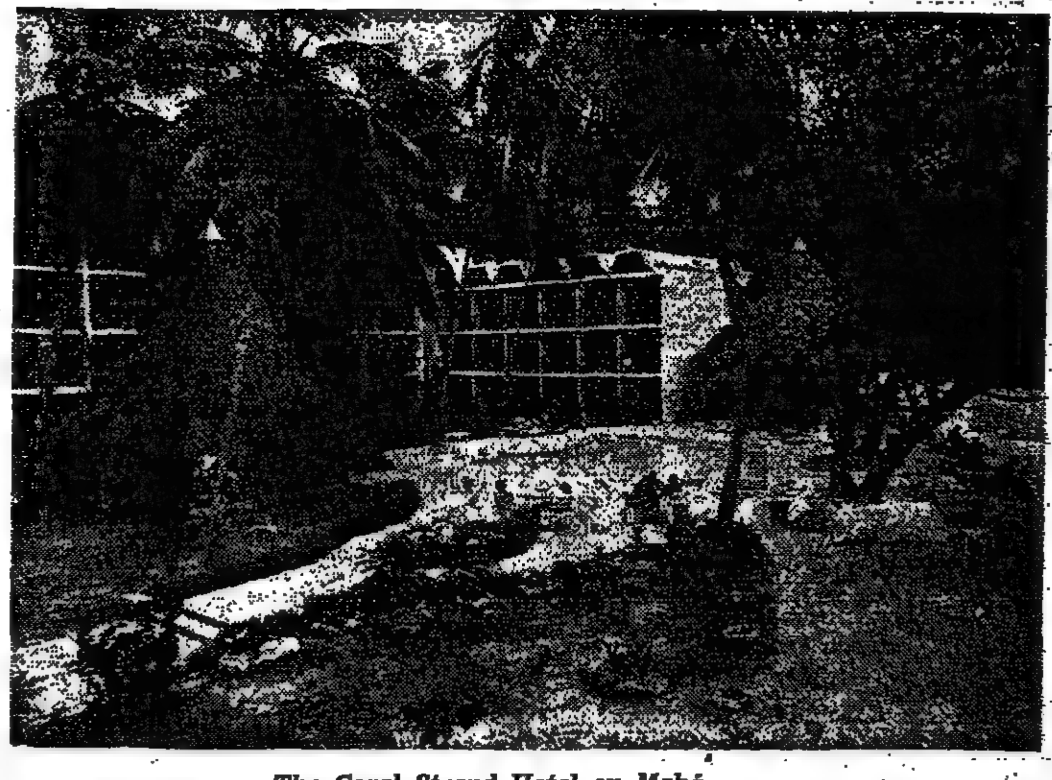
Also residential estate with overall planning for 42 Villas.

For further details apply:—BODCO, P.O. Box 270, Mahe, Seychelles.

# Expanding tourist market

TOURIST development stemmed naturally from the building of the airport, and the beauty and sensual atmosphere of the islands have become Seychelles' best asset. But before tourist interest really started the Government realised that there are many dangers in encouraging tourism in a small and underdeveloped place. Too rapid physical development could destroy the "paradise" the tourists were being invited to see: it could cause social problems and make the inhabitants resent tourists, destroying their much-publicised reputation for "friendliness." It might soak up labour from other economic activities and cause them to stagnate; and it could make the islands prey to speculators. It could place the islands at the mercy of trends in the world economy and in the tastes of jet-setters over which Seychelles could have no control.

Up to 40.000 tourists are expected in Seychelles this year, compared with 26,000 last year and a mere 15.000 in 1972, the year after the airport was opened. With the hotel construction boom having slowed down it is a good time to take stock of what tourism has done to Seychelles so far.



*The Coral Strand Hotel on Mahé.*

## Unimpaired

First, it needs to be said that contrary to the cynical expectations of many Europeans the beauty of Seychelles is unimpaired. There are only three hotels with more than 100 beds, with one more due for completion shortly. Strict building regulations have kept the height of the hotels down to the level of the palm trees which makes them almost invisible from the sea. Although the roads of Mahé are busy with tourists chugging up and down in their rented Mini-Mokes the islands hardly swarm with them—most of them are concentrated on the beaches in front of their hotels. The long rugged west coast of Mahé, which must have some of the finest scenery in the world, is so far almost untouched by the tourist invasion. Two thirds of Mahé is either mountain or marine national park, and development on the other islands is strictly controlled.

On other points the conclusion is less certain. As soon as it became known that an airport might be built in Seychelles speculators arrived and bought long stretches of coastline from the Seychellois landowners. Seychelles land can be and is sold from one owner to another outside Seychelles, although each transfer has to be registered and is taxed in the islands, and any purchase of land by non-Seychellois has to be made in Seychelles and paid for in rupees, although the money can be exported later.

The initial flood of speculators took the inexperienced Government officials by surprise and at first they found it difficult to distinguish between genuine developers and pure speculators. This led to some minor disasters, and the vetting procedure is now much more effective.

The growth of tourism brought a decline to traditional agriculture but stimulated new enterprises to feed the tourists. Other activities such as the renting of hire cars were developed, and the new construction industry put money into the pockets of large numbers of people. But the number of tourists has so far been too small to allow much development of small businesses such as restaurants and tourist shops.

The rapid rise and fall of the construction industry naturally caused social tensions on which Seychelles United Peoples Party (SPUP), while in opposition, was quick to capitalise. As the tourist industry tends to employ mostly young people it must cause strains within families. But there is no sign that the Seychellois are any less friendly towards tourists now than they were when they first arrived.

In terms of the number of tourists using the existing hotels, Seychelles has not felt the cold draught of the world economic recession, although it has, of course, experienced it in the decline in construction. The misfortunes of Cyprus last year, and the cyclone in Mauritius early this year, have been of benefit to Seychelles, and there have even been cases of overbooking, and visitors being sent away. The hotels regularly have a very high occupancy rate of about 70 per cent., which means a room occupancy rate of more than 90 per cent., allowing for the single people who have to take double rooms.

The Government is now trying to decide how tourism should develop in the context of the economy as a whole. The first priority is not to destroy the peace of the islands which attracts the tourists. Beyond that there is some doubt about which policy to adopt, not least because of the shortage at the moment of projects which look likely to go ahead, which discourages the Government from being too choosy. But the original target of 150,000 tourists a year (each staying an average of 10.5 nights) has been scaled down to about 100,000, and this figure should be reached by the end of the decade. The debate is over how to meet the target.

The strict environmentalists favour small select hotels, built with local materials (rather than steel and concrete) and conforming to even stricter planning controls than hitherto to make them unobstrusive. It is argued that such hotels are in keeping with the Seychelles' image of privacy and solitude, that they can be built without outside expertise and that the capital for them can be provided locally.

The other main view is that in addition to two or three large hotel projects which are likely to go ahead in the next year or two, a further two large projects should be authorised. Allowing for a high bed-occupancy rate of 70 per cent. and 10.5 tourist nights this would reach the target of 4,000 beds which are needed for 100,000 tourists.

The advocates of this policy argue that building small hotels costs much more per room than building big ones. Unless the small hotel is extremely luxurious and very expensive it would not be able to produce a reasonable return on capital. To reach the number of tourists which the economy needs to stimulate employment and growth and which the islands can accommodate would mean filling up nearly every bay on the Mahé with a small hotel. The large hotels would concentrate the tourists into a few areas.

One factor which is likely to influence the Government's decision is the fact that most of the coastline is already in the hands of speculators. Although developers have to apply for a building permit before going ahead with projects (which are not necessarily granted) and must also present a workable feasibility study of the project to confirm the financial viability of the backers, the Government is still to some extent at their mercy. It can stop them building but it cannot make them build.

The Government welcomes Seychellois who come forward with projects for small hotels, but for many projects it is hard to persuade speculators to part with their land since they hope to get a better price for it another day. This suggests that the lobby which supports a few large hotels may win the day.

In the longer term restricted development of some more of the outer islands in addition to Praslin, La Digue and Bird Island, is contemplated. This is likely to be on a much smaller scale than on Mahé because of the high transport costs. But with so many islands available the scope for development of all kinds is enormous.

Seychelles' largest market for tourists is Europe, especially Britain, Germany and France. Of the 26,000 tourists arriving in Seychelles in 1974, about 14,000 were from Europe; of the rest, 7,000 were from Africa and the Indian Ocean, 2,000 from North and South America, and 3,000 from Asia. But taking into account the long flight from Europe, Seychelles planners see African and probably South Africa, as their potential fastest-growing market. The hope to take more visitors fro[m] South Africa, Kenya, Zambi[a] and Malawi and hope that th[is] sector will make up one-third [of] the market in three years' tim[e]. Europe's share of the market [is] expected to decline slightly a[nd] more visitors are anticipat[ed] from North and South Americ[a], presumably as an extension [of] tours being made to East Afric[a]. But little growth is expected [in] the Asian market.

What do visitors to Se[y]chelles get? Few bright light[s], limited nightspots, unexce[p]tional food, not the cheapest prices. Instead a peaceful ho[li]day in a climate which has [a] fair share of heat, wind a[nd] rain but which for the most pa[rt] is gentle and very relaxing. O[ne] can either lie on the beach [in] front of one's hotel and swim [in] the warm water (except on t[he] east coast of Mahé where the[re] is too much coral), or und[er]take more energetic activities.

These include schnorkelin[g], skindiving, fishing and boatin[g], while exploring the islan[d] roads in a Mini-Moke is [an] adventure in itself which leav[es] one amazed that so mu[ch] scenery can be crammed [in] so tiny a place. The more ent[er]prising can take a schooner [or] light aircraft to one of the out[er] islands, on which there are sma[ll] hotels, explore the wildli[fe] described elsewhere in th[is] Survey or simply enjoy th[e] solitude. As for the Seych[el]lois, Alec Waugh describ[ed] them many years ago as "tende[r], caressing, ardent, gracio[us], natural and utterly unvicious." They have not changed.

**James Buxto[n]**

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*Bird Island*

*IN AN ISLANDER*

*FROM MAHE TO PRASLIN*

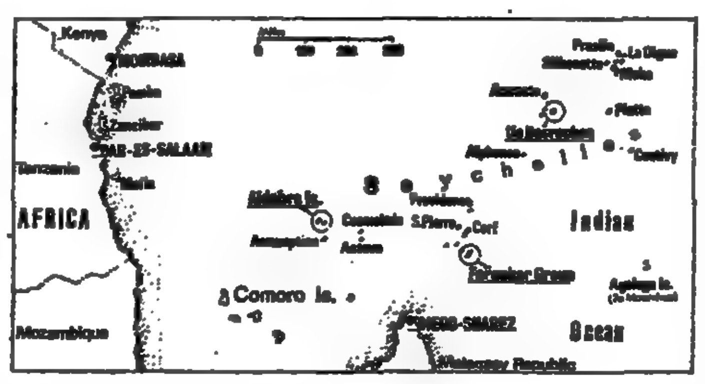
*15 minutes Rs 140 return*

*FROM MAHE TO BIRD ISLAND*

*30 minutes Rs 300 return*


# Problems of BIOT

BIOT is not a new health drink. It represents the initials of the newest, smallest, least populated and most restricted colony in the vestigial British Empire—the British Indian Ocean Territory. It is not easy to visit BIOT. In fact, for all practical purposes it is impossible to go there being either forbidden defence territory, forbidden tern and tortoise territory, or just so far away in the wastes of the Indian Ocean that it would take months to get there.




BIOT was created in the middle 60s specifically to form a link in Western defence strategy. It contains Diego Garcia, a large atoll with a big lagoon, on which a U.S. air and naval facility is being built, the subject of violent controversy among the countries on the Indian Ocean littoral. The territory is administered from Seychelles, whose Governor is the Commissioner with the Deputy Governor the Administrator. What happens to BIOT when Seychelles becomes independent next year is bound to loom large in the pre-independence constitutional conference in January.

The territory consists of four groups of coral islands and atolls. Chagos, Aldabra, Desroches and Farquhar. They are mere coral dots in the ocean, none more than about 12 feet above sea level. There are no permanent inhabitants, but there is a shifting population of about 500, mostly migratory labourers on the copra plantations, and fishermen, if you exclude the American defence personnel on Diego Garcia, in the Chagos Archipelago.

The territory was put together by Britain in a piece of colonial carpentry by buying Chagos from Mauritius for £3m. and detaching Aldabra, Desroches and Farquhar from Seychelles, which was compensated by building the £6m. international airport at Mahé Island. It seemed a fair bargain for Seychelles because the airport brought with it a valuable and growing tourist industry and daily contact with the outside world after decades of virtual isolation.

Britain put Diego Garcia at the disposal of the U.S. for 50 years, with the option of a 20 years' extension. Earlier, however, the plan was to plant the defence and communications base on Aldabou, a unique wildlife sanctuary, almost the last home of the giant tortoise.

To the wild life conservationists the idea of building a landing strip for jets on the island and disturbing the Giant Tortoises, the turtles and the rare seabirds which breed there, was unthinkable.

A tough "bird lobby" was formed to harass the British Government in Parliament and the Press. Zoologists and ornithologists let their hair down in rage; the letter columns sizzled. The "bird lobby" won its battle and the base was changed to Diego Garcia. The U.S. had made a big financial contribution to buying the islands both from Seychelles and Mauritius. Had it known that environmental pressures were to rule out Aldabra it might have been less generous in respect of Seychelles.

The Chagos islands are now lonely and empty of permanent inhabitants, who were removed to Mauritius and Seychelles. They once grew the best coconuts in the world. Aldabra was leased to the Royal Society and a permit is needed to go there. An uninvited visitor to Diego Garcia runs the risk of encountering armed U.S. Marines.

BIOT is running into trouble from several sides. The base on Diego Garcia is under fire from Sri Lanka, India and Tanzania, all of them concerned about the power build-up in the Indian Ocean and wanting it declared a "zone of peace" and the base closed down and evacuated. Big pressures are likely to be put on Seychelles after independence to exert its influence on Britain, including pressures from the OAU, of which Seychelles will be a member. It is difficult to see this being very effective.

From another side BIOT may confront Britain with a big problem when the final run-up to independence comes next year. Mr. Albert René, the SPUP leader, has raised the question of whether the three former Seychelles islands of Aldabra, Desroches and Farquhar, should be returned to Seychelles. Aldabra, of course, could have considerable publicity value for the new state, but Desroches and Farquhar are merely coconut plantations, too far away to be administered economically. If BIOT were broken up it would leave Britain with the embarrassing rump of Diego Garcia, and the question of what to do with it.

## Abolished

The question of the administration of BIOT must also be tackled by the British Government. In the coming independence constitution the present Seychelles Governor would go, to be replaced by Governor-General representing the Queen.

How, then, to govern and administer BIOT? It is unlikely that the Commissioner and Administrator would be based in Seychelles after Independence. That, I was informed on the highest authority, would "just not be on." Britain is likely to be faced with having to base the administration of this unlikely territory in London, 6000 miles away, and deposited in the care of an official in the Foreign and Commonwealth Office.

There is a British resident representative on Diego Garcia. Apart from the sale of copra, BIOT's main income is derived from the sale of stamps, of which several issues have been printed. The only BIOT post office is the Norvaer, the territory's boat, but stamps can be obtained at the Post Office in Victoria, capital of Seychelles.

**John Worrall**


*Fisherman's Cove*

**Beau Vallon Beach MAHE**

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مكتبة الأصل

# MONEY MARKET

## Interest rates fall

**Bank of England Minimum Lending Rate 10% (Since May 2, 1975)**

Short-term interest rates in the London money market tended to fall further yesterday, continuing to reverse the earlier uptrend. The one-month sterling certificate yield ended at 9 7/16-9¼ per cent., against the previous 9 9/16-9½ per cent., the three-month fell to 10⅛-10 per cent., from 10¼-10 3/16 per cent., and the one-year to 11½-11⅜ per cent., from 11¾-11⅝ per cent.

Day-to-day credit was in uncertain supply. The authorities gave a small amount of assistance, by buying Treasury bills from the Discount houses—which intervention perhaps left the banks with a certain shortage to carry over, although at the start it seemed that money would be in better supply. Banks had carried over a surplus from Monday, and Government disbursements were greater than revenue transfers to the Exchequer, but the market faced a net take-up of Treasury bills.

Discount houses paid 8-8½ per cent. commonly for secured call loans in the earlier part, and 8-9 per cent. in the later stages. In the inter-bank market, overnight loans were reported to be in a range of 8¼ per cent. to levels as high, in places, as 20 per cent.

Rates in the table below are nominal in some cases.

| May 20 1975 | Sterling Certificates of deposits | Inter-bank | Local Authority deposit* | Local Auth. negotiable bonds | Finance house deposits | Company deposits | Discount market deposits | Treasury bills ⊕ | Bank bills ⊕ | Fine trade bills ⊕ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 8¼-20 | 8½-9 | — | — | 9-9½ | 8-9 | — | — | — |
| 2 days notice | — | — | 9 | — | — | — | — | — | — | — |
| †7 days or 7 days notice | — | 8½-8⅞ | 9¼ | — | — | — | 8½-8⅞ | — | — | — |
| One month | 9 7/16-9¼ | 9¼-9⅜ | 9½ | 10-9⅜ | 10⅝ | — | 9-9½ | 9 3/16-9⅛ | 9½-9⅞ | 10¾-12 |
| Two months | 9 13/16-9⅝ | 9⅝-9⅞ | — | 10½-9⅞ | — | — | 9¼ | 9 3/16-9 7/16 | 9⅞-10 | 10⅞-12 |
| Three months | 10⅛-10 | 9 15/16-10 1/16 | 10¼-10⅜ | 11-9¾ | 11½ | — | 9½ | 9½-9¾ | 10 | 11-12 |
| Six months | 10 5/16-10 3/16 | 10⅜-10 5/16 | 10½-10¾ | 11¼-10¾ | 11¾-12 | — | — | — | 10¾-11 | 11-12 |
| Nine months | 11 1/16-11 | 11 1/16-11⅜ | — | 12¼-11¾ | — | — | — | — | — | — |
| One year | 11½-11⅜ | 11⅝-11⅜ | 12½-12⅝ | 12½-11¾ | — | — | — | — | — | — |
| Two years | 13⅛-12 | 12-13⅛ | 13⅜-13½ | 13½-12½ | — | — | — | — | — | — |

*Local authority and finance houses seven days' notice; others seven days' fixed.* *Long-term local authority mortgage rate nominally three years 13¾-13⅞ per cent.; four years 13¾-14 per cent.; five years 13¾-14¼ per cent. ⊕Bank bill rate in table is buying rate for prime paper. Buying rates for four-month bank bills 10¼-10⅜ per cent.; and four-month trade bills 11-12 per cent. Approximate selling rate for one-month Treasury bills 9 5/32-9¼ per cent.; two-month 9 9/32-9 5/16 per cent.; three month 9¼-9 7/16 per cent. Approximate selling rate for one-month bank bills 9¼-9⅜ per cent; for two-month 9¼-9⅜ per cent.; and three month 9½-9⅝ per cent; for one-month trade bills 10-10½ per cent.; two-month 10-10 per cent.; and three-month 10-11 per cent.

**Finance House Base Rate** (published by the Finance Houses Association): 10½ per cent. from May 1. **Clearing Bank Deposit Rates** for small sums at seven days' notice: 6½ per cent. **Clearing Bank Base Rates for lending** 9½ per cent. **Treasury Bills:** Average tender rate of discount 9.4747 per cent.

## ACTIVE STOCKS

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1975 high | 1975 low |
|---|---|---|---|---|---|---|
| ICI | £1 | 19 | 275 | +3 | 278 | 118 |
| BP | £1 | 15 | 458 | +3 | 465 | 190 |
| Woolworth (F.W.) | 25p | 14 | 50½ | +4 | 55 | 25½ |
| Shell Transport | 25p | 13 | 338 | +7 | 341 | 118 |
| Barclays Bank | £1 | 12 | 205 | +10 | 300 | 112 |
| Coalite & Chem. | 10p | 12 | 24½ | +1½ | 24½ | 118 |
| Comm. Union | 25p | 11 | 188 | +3 | 194 | 72 |
| GEC | 25p | 11 | 126 | +3 | 131 | 51 |
| Grd. Metropolitan | 50p | 11 | 64 | — | 69 | 19½ |
| Booker McConnell | 50p | 10 | 167 | +4 | 170 | 56 |
| Bowater | £1 | 10 | 163 | +1 | 169 | 50 |
| BATS | 25p | 10 | 330 | +2 | 337 | 164 |
| Cad. Schwep. 'New' | Nil/pd. | 10 | 11½* | +1½ | 12* | 5* |
| Eagle Star | 25p | 10 | 146 | +5 | 148 | 44 |
| Marks & Spencer | 25p | 10 | 241 | +3 | 256 | 95 |

*The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).*
* Premium.

## Option Report—3-month Call rates

**OPTION DEALING DATES**

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| May 13 | May 27 | Aug. 7 | Aug. 19 |
| May 28 | Jun. 9 | Aug. 20 | Sept. 2 |
| Jun. 10 | Jun. 23 | Sept. 4 | Sept. 16 |

Stocks favoured for the "call" included Tube Investments, Babcock and Wilcox, Charterhall Finance, Beecham, EMI, Distillers and BOC International. A "put" was done in Cavenham, while "doubles" were arranged in ICI, Grand Metropolitan, Guest Keen, Lonrho, Charterhall Finance and Coalite and Chemical.

| Industrials | | | | | | Mines | |
|---|---|---|---|---|---|---|---|
| A. P. Cement | 20 | Grand Met. | 10 | Slater Walker | 1½ | Anglo Amer. | 45 |
| Assoc Leisure | 5 | G.U.S. 'A' | 20 | Spillers | 7 | Broken Hill Pty | 65 |
| Barclays Bank | 45 | Guardian | 20 | Tesco | 6 | Cast | 9 |
| Beecham | 24 | G.K.N. | 25 | Thorn 'A' | 25 | Charter Cons. | 40 |
| Boots Drug | 24 | Hawker Sidd. | 26 | Tube Invest. | 30 | Chart'rh'll Fin. | 7 |
| Bowaters | 17 | House of Fraser | 10 | Unilever | 40 | Cons Gold | 45 |
| B.A.T. | 35 | Hudson Wilms | 6 | Utd. Drapery | 12 | De Beers Dfd. | 20 |
| British Leyland | 1½ | I.C.I. | 22 | Vickers | 15 | F. S. Geduld | 100 |
| British Oxygen | 6 | "Imps" | 7 | Woolworths | 6 | Great Boulder | 56 |
| Burton 'A' | 9 | I.C.L. | 7 | Property | | Hampton Areas | 10 |
| Cadburys | 6 | Inveresk | 10 | Cap. Counties | 7 | Hampton Prop. | 4 |
| Courtaulds | 12 | Legal & General | 17 | E.P. | 9 | Kinross | 140 |
| Debenhams | 11 | Lloyds Bank | 50 | Int. Europe | 7 | Lonrho | 40 |
| Distillers | 15 | "Lots" | 9 | Land Securities | 22 | Loraine | 55 |
| Dunlop | 6 | "Mams" | 9 | Peachey | 7 | Metals Explor. | 8 |
| Eagle Star | 16 | Marks & Spencer | 22 | Town & City | 7 | Poseidon | 55 |
| E.M.I. | 14 | Midland Bank | 32 | Town & Comm. | 7 | Pres. Steyn | 145 |
| First National | 3½ | Nat'l West Bank | 50 | Oils | | Rio T. Zinc | 20 |
| G.R.A. Trust | 7 | P & O Dfd. | 16 | Brit. Petroleum | 45 | Welkom | 55 |
| Gen. Accident | 16 | Plessey | 8 | Burmah Oil | 11 | West Areas | 58 |
| Gen Electric | 14 | R.H.M. | 7 | Shell | 26 | Western M'ng | 15 |
| Glaxo | 40 | Rank Org. 'A' | 25 | Ultramar | 17 | Zambia Copp. | |
| | | Reed Int'l | 25 | | | | |

## NEW "HIGHS" AND "LOWS" FOR 1975

Too numerous to name individually, the 315 new 1975 "highs" recorded among securities listed in the Share Information Service yesterday are given below in their subsections. There was 1 new "low."

**NEW HIGHS (315)**

COMMONWEALTH & AFRICAN LOANS (1)
AMERICANS (6)
BANKS (5)
BEERS (9)
BUILDINGS (8)
CHEMICALS (8)
DRAPERY & STORES (11)
ELECTRICALS (8)
ENGINEERING (35)
FOODS (15)
HOTELS (1)
INDUSTRIALS (62)
INSURANCE (11)
MOTORS (6)
NEWSPAPERS (1)
PAPER & PRINTING (2)
PROPERTY (7)
SHIPPING (3)
SOUTH AFRICANS (4)
TEXTILES (9)
TOBACCOS (2)
TRUSTS (72)
OILS (5)
RUBBERS (1)
TEAS (11)
MINES (13)

**NEW LOWS (1)**

MINES (1)
Tongkah Harbour

## RISES AND FALLS YESTERDAY

| | Up | Down | Same |
|---|---|---|---|
| British Funds | 16 | 5 | 32 |
| Corpns. Dom. and Foreign Bonds | 21 | 2 | 40 |
| Industrials | 733 | 115 | 901 |
| Financial and Prop. | 285 | 36 | 296 |
| Oils | 7 | 5 | 35 |
| Plantation | 9 | 2 | 38 |
| Mines | 54 | 32 | 65 |
| Recent Issues | 28 | 4 | 71 |
| Totals | 1,154 | 199 | 1,421 |

## INSURANCE BASE RATES

† Atlantic Assurance ...... 11½%
Cannon Assurance ...... 9 %
† Address shown under Insurance and Property Bond table.

## BASE LENDING RATES

| | |
|---|---|
| AFI International | 9½% |
| Allied Irish Banks Ltd. | 9½% |
| Anglo-Portuguese Bank | 10 % |
| Henry Ansbacher | 10½% |
| Banco de Bilbao | 9½% |
| Banco de Jerez | 10½% |
| *Bank of Cyprus* | ‡10 % |
| Banque du Rhone S.A. | 10 % |
| Barclays Bank | 9½% |
| Barnett, Christie Ltd. | 11 % |
| Bremar Holdings Ltd. | 10½% |
| Brit. Bank of Mid. East | 9½% |
| ■ Brown Shipley | 10½% |
| Cayzer, Bowater Co. Ltd. | 10½% |
| Cedar Holdings | 11 % |
| ■ Charterhouse Japhet | 10½% |
| C. E. Coates | 10½% |
| Consolidated Credits | 12 % |
| Continental Trade Bk. | 9½% |
| Co-operative Bank | * 9½% |
| Copleys Bank | 11½% |
| Corinthian Securities | 9½% |
| Credit Lyonnais | 9½% |
| G. R. Dawes | 10½% |
| Duboff Brothers | 11½% |
| Duncan Lawrie | 10½% |
| English Transcont. | 11½% |
| First London Secs. | 9½% |
| ■ *Antony Gibbs* | 10 % |
| Goode Durrant Trust | 10 % |
| Greyhound Guaranty | 9½% |
| Grindlays Bank | 10 % |
| ■ Guinness Mahon | 10½% |
| ■ Hambros Bank | 9½% |
| Hawtin & Partners | 13 % |
| ■ Hill Samuel | §10 % |
| C. Hoare & Co. | † 9½% |
| Julian S. Hodge | 10½% |
| Industrial Bank of Scot. | 9½% |
| Jacobs, Kroll | 11½% |
| Keyser Ullmann | 10½% |
| Kingshurst Securities | 12 % |
| Lloyds Bank | 9½% |
| London & European | 11½% |
| London Mercantile | 11½% |
| Midland Bank | 9½% |
| ■ Samuel Montagu | 9½% |
| ■ Morgan Grenfell | 9½% |
| Morris Wigram Ltd. | 11½% |
| National Westminster | 9½% |
| Northern Comm. Trust | 11½% |
| Norwich General Trust | 10 % |
| Portman Guaranty | 11 % |
| P. S. Refson & Co. | 9½% |
| Rossminster Accept'ces | 9½% |
| Royal Trust of Canada | 10½% |
| E. S. Schwab | 11½% |
| Security Trust Co. Ltd. | 11 % |
| Shenley Trust | 11½% |
| Standard & Chartered | 9½% |
| Sterling Credit | 12 % |
| Stewart Salmon & Co. | 9½% |
| Thames Guaranty | 12 % |
| Trade Development Bk. | 9½% |
| Twentieth Century Bk. | 11½% |
| United Bank of Kuwait | 9½% |
| Wallace Brothers Bank | 10½% |
| Whiteaway Laidlaw | 10 % |
| Williams and Glyn's | 9½% |
| Yorkshire Bank | 9½% |

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%. 1-month deposits 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

**I.G. INDEX**
GOLD 166-169

**CORAL INDEX**
Close 354-359

## INSURANCE, PROPERTY, BONDS

Yield %

**Abbey Life Assurance Co. Ltd.**
1-3, St. Paul's Churchyard, E.C.4 248 9111
Abbey Eq. May 20 48.5 50.3 +0.5 —
do. Acc Unit May 20 22.1 23.5 +0.3 —
do. Pr. May 6 102.7 109.1 ...... —
do. Acc. Unit May 6 97.2 105.2 ...... —
do. Pen. Unit May 6 103.5 109.8 ...... —
Selective In May 20 59.5 63.2 +0.5 —
do. Pen Unit May 20 53.5 56.9 +0.4 —
Conv Unit May 20 104.7 110.3 −0.2 —
Money Fd. Unit 99.1 104.4 −0.1 —
Pension Sec. Bond 100.3 105.5 −0.2 —
Pension Man Bond 106.1 111.7 +0.3 —

**Albany Life Assurance Co. Ltd.**
31, Old Burlington St., W.1. 01-437 5962
G't'd. Mon. Fd. 95.4 100.4 ...... —
Do. Accum. 96.1 101.0 ...... —
Equity Fund 122.8 129.3 ...... —
Do. Accum. 123.8 130.3 ...... —
Property Fund 96.2 101.3 ...... —
Do. Accum. 96.9 102.0 ...... —
Fixed Int. Fund 96.0 101.1 ...... —
Do. Accum. 96.7 101.8 ...... —
M'ple Inv. Fund 113.8 119.8 ...... —
Do. Accum. 114.5 120.5 ...... —
G't'd Mon. Pens. 96.1 101.0 ...... —
Do. Accum. 96.8 101.8 ...... —
Prop. Pen. Fund. 97.0 102.1 ...... —
Do. Accum. 97.8 103.0 ...... —
Fixed Int. Pen. 96.7 101.8 ...... —
Do. Accum. 97.5 102.6 ...... —
M'ple Inv. Pens. 118.8 124.8 ...... —
Do. Accum. 119.5 125.8 ...... —

**AMEV Life Assurance Ltd.**
3 Pavilion Bldgs., Brighton. 0273 21917
Trad Managed Bd 106.1 111.2 ...... —

**Atlantic Assurance Co. Ltd.**
Atlantic Hse., Billingshurst. B'hurst 3451
All W'ther Ac Uts 108.5 114.2 ...... —
All Weather Cap 107.0 112.6 ...... —
Inv'stm't Fd. Uts 110.0 ...... —
Pension Fd. Unts. 97.0 ...... —

**Barclays Life Ass. Co. Ltd.**
252, Romford Rd., E.7. 01-555 1211
Barclaybonds 82.5 86.8 ...... —
Current unit value May 14.
* Corrected change.

**Brandts Ltd.**
36, Fenchurch St., E.C.3. 01-626 6599
Brandts Exempt. 81.0 85.4 ...... 9.07

**Canada Life Assurance Company**
6 Charles II Street, S.W.1. 01-930 6122
Growth Fd. May 1 45.4 ...... —
Retir'mt Fd. May 6 96.5 ...... —

**Cannon Assurance Ltd.**
1 Olympic Wy Wmbly HA9 0NB. 01-902 8876
Equity Unit £11.69 +0.16 —
*Property Unit 730 +1 —
Exec. Bald. Unit 950 +5 —
Exec. Eq'ty Unit 791 +11 —
Exec. Prop. Units 957 +1 —
[illegible]

**Capital Life Assurance**
[illegible]

**Charterhouse Japhet Life Ass. Co. Ltd.**
[illegible]

**The City of Westminster Assur. Soc.**
[illegible]

**The City of Westminster Assur. Co. Ltd.**
[illegible]

**Second Managed Fund**
[illegible]

**Commercial Union Group**
[illegible]

**Confederation Life Insurance Co.**
[illegible]

**Cornhill Insurance Co. Ltd.**
32, Cornhill, E.C.3. 01-626 5410
Capital May 15 105.5 +16.0 —
GS Special May 15 40.0 +2.5 —
Mn Gth Bd Apr. 20 113.5 119.5 ...... —

**Crescent Life Ass. Co. Ltd.**
Braywick Hse, Mdnhd. Berks. Mdnhd 34465
Cres. Pinl'dinv. Fd. 60.6 65.0 −0.8 —

**Crusader Insurance Co. Ltd.**
Bowring Bldgs., Tower Pl., EC3 01-626 8031
Gr'th Prop. May 3 50.9 56.5xb ...... —

**Eagle Star Insce./Midland Assce.**
1, Threadneedle St., E.C.2. 01-588 1212
Eagle/Midl. Units 55.8 57.1 +0.6 7.04

**General Portfolio Life Ins. Co. Ltd**
60 Bartholomew Cl., Waltham X. WX 31971
Portfolio Fund 108.46 ...... —

**Growth & Sec. Life Ass. Soc. Ltd.**
United House, W.11. 01-229 6188
Flexible Fortune 100.0p ...... —
Landbank Secs. 54.94 ...... —
Landbank S'rs A 97.4 100.0 ...... —
G&S Super Fund 719.66 ...... —

**Guardian R.E.**
Royal Exchange, E.C.3. 01-283 7107
Property Bonds 126.5 131.9 ...... —
Pen. Man. Fd. Uts. 97.4 102.5 ...... —

**Hambro Life Assurance Limited**
7, Old Park Lane, London, W.1. 499 0031
Fixed Int. Fund 105.7 111.4 ...... —
Hambros Equity 114.2 120.5 ...... —
Property 116.2 122.4 ...... —
Managed Cap. 102.2 107.6 ...... —
Managed Acc. 115.1 121.2 ...... —
Pen Prop. Cap. 150.7 157.8 ...... —
Pen Prop. Acc. 151.1 159.1 ...... —
Pen. Man. Cap. 134.5 141.6 ...... —
Pen. Man. Acc. 155.4 163.6 ...... —
Pen. F.I. Cap. 106.8 112.6 ...... —
Pen F.I. Acc. 111.8 117.6 ...... —
Pen. B.S. Cap. 99.1 104.4 ...... —
Pen B.S. Acc. 101.1 106.5 ...... —

**Harvest Assurance Group**
42, Church St., Maidstone, Kent 0622 56661
Annuity Units 123.4 ...... —
Managed Funds 46.30 48.70 ...... —

**Hearts of Oak Benefit Society**
Euston Road, London, N.W.1 01-387 5020
Hearts of Oak 29.0 30.8 ...... —

**Hill Samuel Life Ass. Ltd.**
NLA Twr., Addiscombe Rd., Croy. 686 4355
HillSamProp Unit 117.7 123.7 ...... —
Do. Man. Unit 112.6 118.5 +2.2 —
Do. Money Fund 101.4 106.8 ...... —

**Imperial Life Ass. Co. of Canada**
Imperial Life House, Guildford 71255
Gr'th Fd. My 16 47.6 51.8 ...... —
Pen Gth. Fd. My 16 39.9 43.4 ...... —

**The Individual Life Ins. Co. Ltd.**
Individual Hse., 45, South St., Eastbourne BN21 4UT Eastbourne 36711
Fixed Int. Units 116.5 122.7 +0.4 —
Equity Units 101.3 107.2 +1.1 —
[illegible]

**Irish Life Assurance Co. Ltd.**
[illegible]

**King & Shaxson Ltd.**
[illegible]

**Langham Life Assurance Co. Ltd.**
[illegible]

**Life & Equity Assurance**
[illegible]

**Life Assur. Co. of Pennsylvania**
39-42, New Bond St., W1Y 0RQ. 01-493 8395
LACOP Units 778 817 ...... —

**Lloyd's Life Assurance Ltd.**
12, Leadenhall St., EC3M 7LS 01-623 6621
Mlt. Gth Fd May 6 1.36409 ...... —
Opt 4 Eq Fd May 1 90.7 95.5 ...... —
Opt 4 Prop. May 1 102.8 108.1 ...... —
Opt 4 H'Yd Apr 3 109.1 114.8 ...... —
Opt 4 Mn Fd My 1 103.6 108.9 ...... —
Opt 4 Dep Fd My 1 100.9 106.3 ...... —
Pen Man Fd May 1 21.6 128.1 ...... —
Pens Eq Fd May 1 60.2 168.7 ...... —
Pen Prop Fd May 1 35.8 109.1 ...... —
Pen Fxd Int May 1 15.0 121.1 ...... —
Pen Dep Fd May 1 07.8 113.7 ...... —

**London Equity Assurance Ltd.**
Worthing Rd., Horsham Horsham 64111
Managed Cap Fd 46.0 51.0 ...... —

**M. and G. Group**
3 Quays, Tower Hill EC3R 6BQ. 01-626 4588
Equity Bds My 15 94.4 98.2 ...... —
Family '76 My 15 110.8 ...... —
Do. 1977-80 My 15 86.9 ...... —
Do. 1981-86 My 16 113.9 ...... —
Intern Bds My 15 70.0 73.6 ...... —
M&G Magd My 16 96.7 101.6 ...... —
Pers'nal Pn My 16 125.0 128.8 ...... —
Property May 15 105.2 110.6 ...... —
Conv Bond May 14 99.7 102.7 ...... —

**Magna Assurance Company Ltd.**
15 Chequers Sq., Uxbridge, Mdx Uxb 32181
Building Soc. Bond 105.1 ...... —
Magna Man'd Fd. 117.8 ...... —

**Mnfrs. Life Insur. Co. (U.K.) Ltd.**
P.O. Box 21, Stevenage. 0438 56101
Manulife Inv 1st. 28.0 29.4 ...... —

**Merchant Investors Assurance**
125, High Street, Croydon. 01-686 9171
Conv. Dp. Fd. 106.6 ...... —
Money Market B 116.5 ...... —
Mer. Inv. Man Fd 90.1 +2.0 —
Mer. Inv. Pty Bd 99.9 ...... —
Equity Bond 55.6 +1.1 —
Prop. Pens. 96.4 ...... —
Man. Pens. 97.3 +2.8 —
Equity Pens. 133.8 +3.5 —
Conv. Dep. Pens 106.0 ...... —
Mon. Mkt. Pens. 117.8 ...... —

**NEL Pensions Limited**
Milton Court, Dorking Surrey. 5911
Nelex Accm. Units 70.5 74.4 −2.5 —
Nelex Capital 51.9 54.6 ...... —
Next subscription day May 25

**New Zealand Insce. Co. (U.K.) Ltd.**
Warrior Sq., Southend 0702-62955
Kiwi Key Invest. 104.6 107.9 ...... —

**NPI Pensions Management Ltd.**
48 Gracechurch St., EC3P 3HH. 01-623 4200
Managed Fund 97.4 101.5 ...... —
[illegible]

**Norwich Union Insurance Group**
[illegible]

**Oakfife Assurance Ltd.**
[illegible]

**Phoenix Assurance Co. Ltd.**
[illegible]

**Prop. Equity & Life Assce. Co.**
[illegible]

**Property Growth Assur. Co. Ltd.**
[illegible]

**Prudential Pensions Limited**
[illegible]

**Reliance Mutual**
[illegible]

**Royal Insurance Group**
[illegible]

**Save & Prosper Group**
4, Gt. St. Helen's, London, E.C.3 588 1717
Bal'nced Inv. Fd. 92.8 97.7 +0.4 —
**Property Fund 105.8 111.4 ...... —
*Deposit Fund 103.4 108.9 ...... —
Equity Pens'n Fd 115.5 117.4 −3.2 —
***Prop Pens. Fund 117.5 123.6 ...... —
‡Comp'y Pens Fnd 123.6 130.2 ...... —
*Prices on May 5 **May 16 ***May 6 ‡ Weekly valuations ‡ Price monthly

**Scottish Widows' Fnd. & Life Ass. Soc.**
[illegible]

**Schroder Life Group**
[illegible]

**Scot. Widows' Fnd. & Life Ass. Soc.**
[illegible]

**Slater Walker Insurance Co. Ltd.**
[illegible]

**Sun Life of Canada (U.K.) Ltd.**
[illegible]

**Target Life Assurance Co. Ltd.**
[illegible]

**Transinternational Life Ins. Co. Ltd.**
[illegible]

**The Trident Life Assur. Co. Ltd.**
[illegible]

**Tyndall Group**
[illegible]

**Vanbrugh Life Assurance**
[illegible]

**Welfare Insurance Company Ltd.**
[illegible]

**Windsor Life Assce. Co. Ltd.**
[illegible]

**NOTES**
[illegible] * Net of tax on realised capital gains.

# F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

| | EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Tue May 20 Index No. | Day's Change % | Est. Earnings Yield % (Max.) (Corp. Tax 52%) | Gross Div. Yield % (ACT at 35%) | Est. P/E Ratio (net) (Corp. Tax 52%) | Est. P/E Ratio (nil) (Corp. Tax 52%) | Mon May 19 Index No. | Fri May 16 Index No. | Thurs May 15 Index No. | Wed May 14 Index No. | Year ago (approx.) Index No. | 1975 High | 1975 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (181) | 129.41 | +3.3 | 18.16 | 5.21 | 8.06 | 8.07 | 125.30 | 121.50 | 121.24 | 119.72 | 106.56 | 129.41 (20/5) | 51.78 (6/1) | 206.37 (4/5/72) | 50.71 (13/12/74) |
| 2 | Building Materials (30) | 112.88 | +3.3 | 20.14 | 7.00 | 7.60 | 7.59 | 108.64 | 105.81 | 107.38 | 106.76 | 110.29 | 117.40 (22/4) | 45.11 (6/1) | 233.84 (2/5/72) | 44.27 (11/12/74) |
| 3 | Contracting, Construction (23) | 250.84 | +4.1 | 16.77 | 3.77 | 8.85 | 8.81 | 240.96 | 234.06 | 235.29 | 230.61 | 179.48 | 251.61 (23/4) | 74.74 (6/1) | 389.33 (19/5/72) | 71.48 (12/12/74) |
| 4 | Electricals (16) | 229.60 | +3.3 | 16.32 | 5.15 | 6.83 | 6.62 | 222.12 | 211.54 | 210.50 | 206.83 | 202.43 | 229.60 (20/5) | 98.49 (2/1) | 550.04 (4/5/72) | 84.71 (25/6/62) |
| 5 | Engineering (Heavy) (13) | 156.35 | +3.4 | 21.45 | 6.90 | 7.02 | 7.02 | 151.16 | 147.55 | 148.34 | 145.08 | 112.39 | 162.79 (22/4) | 64.39 (2/1) | 202.57 (3/6/73) | 64.39 (2/1/75) |
| 6 | Engineering (General) (65) | 112.99 | +2.7 | 18.72 | 7.05 | 7.79 | 7.79 | 110.00 | 107.18 | 106.10 | 105.18 | 88.34 | 112.99 (20/5) | 45.43 (6/1) | 168.59 (4/5/72) | 45.43 (6/1/75) |
| 7 | Machine and Other Tools (11) | 48.98 | +0.7 | 15.60 | 9.37 | 12.28 | 12.69 | 48.62 | 48.02 | 47.56 | 47.04 | 56.71 | 48.98 (20/5) | 20.11 (2/1) | 136.70 (4/7/66) | 19.96 (13/12/74) |
| 8 | Miscellaneous (23) | 118.38 | +4.4 | 17.64 | 6.56 | 7.72 | 7.70 | 113.41 | 111.50 | 111.00 | 110.56 | 99.75 | 118.38 (20/5) | 49.65 (6/1) | 177.41 (27/4/72) | 49.65 (6/1/75) |
| 9 | CONSUMER GOODS (DURABLE) (58) | 88.54 | +3.3 | 20.35 | 6.97 | 7.22 | 7.20 | 85.96 | 82.97 | 82.64 | 82.14 | 96.69 | 90.59 (22/4) | 38.39 (6/1) | 227.78 (21/4/72) | 38.39 (6/1/75) |
| 10 | Electronics, Radio TV etc. (15) | 93.73 | +3.4 | 21.52 | 6.16 | 6.74 | 6.74 | 96.41 | 90.91 | 91.04 | 90.67 | 119.23 | 105.62 (10/3) | 44.28 (6/1) | 257.41 (13/5/72) | 43.85 (13/12/74) |
| 11 | Household Goods (15) | 139.48 | +2.7 | 30.46 | 7.61 | 4.75 | 4.73 | 135.87 | 134.90 | 134.99 | 133.89 | 153.85 | 146.90 (23/4) | 64.53 (6/1) | 263.22 (4/6/72) | 63.92 (17/12/74) |
| 12 | Motors and Distributors (29) | 49.43 | +3.3 | 13.98 | 9.35 | 10.76 | 10.68 | 47.84 | 47.09 | 46.30 | 46.15 | 46.25 | 50.55 (22/4) | 19.91 (6/1) | 170.59 (15/1/69) | 19.91 (6/1/75) |
| 13 | CONSUMER GOODS (NON-DURABLE) (164) | 145.61 | +3.0 | 14.00 | 5.64 | 10.07 | 10.06 | 141.33 | 135.85 | 134.62 | 132.74 | 115.95 | 145.61 (20/5) | 61.98 (6/1) | 226.08 (16/8/72) | 61.41 (13/12/74) |
| 14 | Breweries (16) | 161.90 | +4.1 | 12.91 | 6.10 | 11.50 | 11.50 | 155.47 | 146.91 | 142.95 | 141.13 | 152.01 | 161.90 (20/5) | 75.56 (6/1) | 281.87 (28/11/72) | 69.47 (13/12/74) |
| 15 | Wines and Spirits (8) | 171.28 | +2.5 | 12.62 | 5.47 | 11.67 | 11.67 | 167.16 | 159.32 | 156.04 | 154.81 | 157.79 | 171.28 (20/5) | 80.42 (6/1) | 257.40 (13/7/72) | 76.88 (13/12/74) |
| 16 | Entertainment, Catering (16) | 157.32 | +4.0 | 14.04 | 7.14 | 10.27 | 10.27 | 151.27 | 145.48 | 142.71 | 139.90 | 132.38 | 157.32 (20/5) | 55.28 (6/1) | 329.99 (12/12/72) | 54.83 (9/1/75) |
| 17 | Food Manufacturing (22) | 156.15 | +2.4 | 13.28 | 4.99 | 10.17 | 10.13 | 152.48 | 148.76 | 148.95 | 146.24 | 113.86 | 156.15 (20/5) | 62.03 (2/1) | 211.65 (14/11/74) | 59.67 (11/12/74) |
| 18 | Food Retailing (16) | 146.42 | +4.3 | 10.47 | 4.24 | 14.19 | 14.19 | 140.54 | 137.02 | 136.07 | 134.60 | 108.23 | 146.42 (20/5) | 57.15 (2/1) | 235.08 (16/8/72) | 54.25 (11/12/74) |
| 19 | Newspapers, Publishing (15) | 144.12 | +3.2 | 18.69 | 6.63 | 8.03 | 8.03 | 139.58 | 136.07 | 137.03 | 135.19 | 155.91 | 146.75 (23/4) | 55.08 (6/1) | 360.29 (18/1/72) | 55.08 (6/1/75) |
| 20 | Packaging and Paper (13) | 107.18 | +1.3 | 20.65 | 6.16 | 7.05 | 7.04 | 105.79 | 103.67 | 103.79 | 101.24 | 77.85 | 107.12 (20/5) | 43.46 (6/1) | 135.69 (26/4/72) | 43.46 (6/1/75) |
| 21 | Stores (30) | 132.94 | +2.8 | 10.47 | 4.88 | 14.15 | 14.15 | 129.31 | 123.80 | 121.19 | 119.95 | 93.99 | 132.94 (20/5) | 52.63 (6/1) | 204.59 (16/8/72) | 52.63 (6/1/75) |
| 22 | Textiles (19) | 141.71 | +1.5 | 25.16 | 7.10 | 4.62 | 4.60 | 139.56 | 134.58 | 135.75 | 131.14 | 131.07 | 144.59 (17/4) | 52.91 (6/1) | 255.72 (17/8/68) | 52.66 (11/12/74) |
| 23 | Tobacco (3) | 192.77 | +3.7 | 18.09 | 6.91 | 8.11 | 8.11 | 185.85 | 177.39 | 179.92 | 177.59 | 180.66 | 199.16 (10/3) | 109.98 (6/1) | 359.16 (2/8/72) | 94.54 (13/6/62) |
| 24 | Toys and Games (6) | 42.52 | +1.1 | 25.32 | 7.39 | 5.19 | 5.19 | 41.86 | 41.17 | 41.17 | 41.56 | 42.28 | 43.61 (23/4) | 20.92 (6/1) | 135.72 (16/1/70) | 20.92 (6/1/75) |
| | OTHER GROUPS (92) | | | | | | | | | | | | | | | |
| 25 | Chemicals (25) | 177.35 | +1.5 | 19.70 | 5.01 | 7.22 | 7.22 | 174.94 | 167.90 | 166.85 | 163.46 | 141.71 | 177.65 (20/5) | 73.14 (6/1) | 201.92 (31/1/69) | 71.20 (11/12/74) |
| 26 | Office Equipment (10) | 101.05 | +6.4 | 14.06 | 5.22 | 9.63 | 9.63 | 94.98 | 93.54 | 92.16 | 93.54 | 118.34 | 104.78 (17/4) | 45.34 (2/1) | 246.06 (1/6/72) | 45.34 (2/1/75) |
| 27 | Shipping (11) | 395.71 | +3.7 | 28.03 | 3.95 | 5.42 | 5.97 | 382.67 | 372.23 | 360.56 | 355.57 | 376.56 | 401.84 (10/3) | 194.38 (6/1) | 517.00 (5/12/72) | 90.80 (29/6/62) |
| 28 | Miscellaneous (46) | 152.06 | +3.0 | 16.32 | 6.57 | 8.59 | 8.56 | 147.59 | 145.17 | 142.28 | 140.83 | 131.28 | 152.06 (20/5) | 60.39 (6/1) | 258.83 (2/6/72) | 60.39 (6/1/75) |
| 29 | INDUSTRIAL GROUP (496) | 141.24 | +3.0 | 16.34 | 5.80 | 8.68 | 8.66 | 137.18 | 132.32 | 131.54 | 129.62 | 118.60 | 141.24 (20/5) | 59.19 (6/1) | 220.17 (1/5/72) | 59.01 (13/12/74) |
| 30 | OILS (4) | 277.92 | +1.4 | 26.49 | 5.47 | 4.05 | 3.78 | 274.18 | 259.57 | 257.01 | 250.54 | 228.86 | 277.92 (20/5) | 105.85 (2/1) | 451.60 (29/5/69) | 87.23 (29/5/62) |
| 31 | 500 SHARE INDEX | 152.81 | +2.7 | 17.78 | 5.75 | 7.47 | 7.32 | 148.74 | 143.87 | 142.77 | 140.66 | 127.98 | 152.81 (20/5) | 63.49 (6/1) | 227.95 (16/8/72) | 63.49 (13/12/74) |
| 32 | FINANCIAL GROUP (100) | 148.45 | +3.3 | — | 4.65 | — | — | 143.75 | 138.85 | 137.18 | 135.27 | 117.58 | 148.45 (20/5) | 56.50 (6/1) | 241.41 (11/4/72) | 55.88 (13/12/74) |
| 33 | Banks (6) | 156.86 | +2.4 | 28.29 | 4.96 | 6.39 | 6.39 | 153.12 | 148.92 | 147.64 | 148.88 | 136.40 | 163.68 (23/4) | 62.66 (2/1) | 288.32 (20/7/72) | 62.44 (18/12/74) |
| 34 | Discount Houses (9) | 142.76 | +3.6 | — | 8.41 | — | — | 137.95 | 137.87 | 138.16 | 138.44 | 128.88 | 159.27 (7/3) | 64.13 (6/1) | 293.13 (2/5/72) | 61.40 (10/12/74) |
| 35 | Hire Purchase (5) | 106.01 | +3.4 | 33.46 | 8.64 | 5.66 | 5.18 | 102.57 | 100.06 | 102.31 | 101.35 | 215.24 | 134.39 (10/3) | 42.81 (6/1) | 433.72 (4/5/72) | 38.83 (11/12/74) |
| 36 | Insurance (Life) (9) | 124.41 | +4.8 | — | 5.59 | — | — | 118.76 | 118.75 | 110.08 | 110.15 | 98.11 | 127.97 (23/4) | 44.88 (2/1) | 194.46 (10/3/72) | 44.88 (2/1/75) |
| 37 | Insurance (Composite) (7) | 123.90 | +4.7 | — | 5.98 | — | — | 118.50 | 115.49 | 110.02 | 109.52 | 79.85 | 123.90 (20/5) | 44.47 (2/1) | 155.76 (21/4/72) | 43.96 (13/12/74) |
| 38 | Insurance (Brokers) (8) | 211.50 | +1.5 | 3.40 | 4.01 | 18.74 | 18.74 | 208.38 | 201.69 | 194.45 | 194.45 | 164.02 | 211.50 (20/5) | 68.96 (7/1) | 262.57 (12/12/72) | 65.86 (16/12/74) |
| 39 | Merchant Banks (19) | 86.64 | +2.3 | — | 7.03 | — | — | 86.57 | 84.79 | 84.92 | 84.65 | 105.07 | 94.97 (7/3) | 31.81 (7/1) | 278.57 (1/5/72) | 31.21 (7/1/75) |
| 40 | Property (32) | 229.71 | +2.3 | 3.95 | 2.72 | 36.36 | 34.97 | 224.53 | 220.85 | 222.62 | 218.95 | 186.08 | 241.28 (22/4) | 86.19 (7/1) | 357.40 (9/11/73) | 56.01 (20/4/65) |
| 41 | Miscellaneous (5) | 74.24 | +5.1 | 15.29 | 8.75 | 9.18 | 9.07 | 70.62 | 69.26 | 69.42 | 70.29 | 96.95 | 75.78 (23/4) | 34.78 (10/1) | 303.15 (18/5/72) | 33.29 (17/12/74) |
| 42 | Investment Trusts (50) | 174.52 | +1.2 | 2.86 | 3.96 | 34.72 | 34.72 | 172.46 | 172.85 | 171.84 | 171.14 | 129.78 | 174.52 (20/5) | 78.46 (6/1) | 245.79 (25/4/72) | 71.63 (13/12/74) |
| 43 | ALL-SHARE INDEX (650) | 152.07 | +2.7 | — | 5.46 | — | — | 148.02 | 143.45 | 142.23 | 140.27 | 124.99 | 152.07 (20/5) | 64.16 (6/1) | 228.18 (1/5/72) | 61.92 (13/12/74) |
| | COMMODITY GROUPS (*Not included in 500 or All-Share indices*) | | | | | | | | | | | | | | | |
| 44 | Rubbers (10) | 519.15 | +0.7 | 9.57 | 6.26 | 11.83 | 11.47 | 515.51 | 509.85 | 511.35 | 512.36 | 408.46 | 519.15 (20/5) | 281.66 (2/1) | 558.37 (25/7/73) | 84.68 (25/6/62) |
| 45 | Teas (10) | 89.57 | +1.4 | 21.57 | 8.93 | 5.84 | 5.44 | 88.37 | 88.37 | 88.50 | 88.19 | 105.71 | 89.57 (20/5) | 76.76 (10/1) | 121.47 (1/5/72) | 59.72 (17/10/74) |
| 46 | Coppers (3) | [illegible] | +0.5 | 44.40 | 17.08 | 2.25 | 2.25 | 440.85 | 444.59 | 446.59 | 452.75 | 410.78 | 460.26 (28/2) | 374.38 (28/1) | 567.78 (13/7/73) | 94.08 (29/4/62) |
| 47 | Mining Finance (11) | 155.93 | +1.2 | 5.82 | 3.86 | 12.30 | 12.30 | 154.26 | 152.62 | 154.74 | 152.39 | 107.54 | 155.93 (20/5) | 80.56 (22/1) | 175.90 (22/4/68) | 66.31 (30/9/74) |
| 48 | Tins (8) | 109.66 | +1.6 | 9.30 | 7.56 | 13.66 | 11.90 | 107.88 | 108.56 | 105.76 | 106.00 | 100.18 | 109.66 (20/5) | 56.91 (8/1) | 125.43 (12/1/73) | 54.83 (27/5/71) |
| 49 | Overseas Traders (13) | 252.25 | +2.6 | 15.20 | 5.44 | 9.61 | 9.87 | 245.38 | 240.50 | 238.50 | 236.34 | — | 245.38 (19/5) | 97.37 (6/1) | 245.38 (19/5/75) | 97.37 (6/1/75) |

| | FIXED INTEREST | Tue May 20 Index No. | Yield % | Mon May 19 | Fri May 16 | Thurs May 15 | Wed May 14 | Tues May 13 | Mon May 12 | Fri May 9 | Year ago (approx.) | 1975 High | 1975 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Consols 2½% yield | — | 16.08 | 15.90 | 16.16 | 16.16 | 16.17 | 15.98 | 15.81 | 15.86 | 13.94 | — | — | — | — |
| 2 | 20-yr. Govt. Stocks (6) | 47.05 | ‡15.76 | 47.07 | 47.13 | 46.98 | 46.91 | 46.79 | 46.25 | 46.56 | 51.39 | 55.09 (20/3) | 38.27 (3/1) | 118.42 (11/9/65) | 38.27 (3/1/75) |
| 3 | 20-yr. Red. Deb. & Loans (15) | 46.56 | ‡16.14 | 46.64 | 46.26 | 46.25 | 46.16 | 45.18 | 45.32 | 45.60 | 48.55 | 50.66 (21/3) | 37.01 (3/1) | 113.45 (23/10/63) | 37.01 (3/1/75) |
| 4 | Investment Trusts Prefs. (15) | 42.90 | 16.14 | 42.77 | 41.75 | 41.75 | 41.75 | 41.78 | 42.20 | 42.80 | 45.85 | 46.57 (26/3) | 35.36 (3/1) | 114.41 (13/9/63) | 34.46 (4/12/74) |
| 5 | Coml. and Indl. Prefs. (20) | 58.05 | 16.21 | 57.88 | 58.01 | 57.95 | 57.95 | 57.82 | 58.09 | 58.51 | 59.59 | 55.98 (20/5) | 48.55 (6/1) | 114.95 (7/10/65) | 47.67 (6/1/75) |

| Section or Group | Base Dates | Base Value | Section or Group | Base Dates | Base Value |
|---|---|---|---|---|---|
| Overseas Traders | 31/12/70 | 100.00 | Miscellaneous Financial | 31/12/70 | 128.06 |
| Engineering (Heavy) | 31/12/71 | 153.84 | Food Manufacturing | 29/12/67 | 114.13 |
| Engineering (General) | 31/12/71 | 153.84 | Food Retailing | 29/12/67 | 114.13 |
| Wines and Spirits | 16/1/70 | 144.76 | Insurance Brokers | 29/12/67 | 96.67 |
| Toys and Games | 16/1/70 | 135.72 | Mining Finance | 29/12/67 | 100.00 |
| Office Equipment | 16/1/70 | 162.79 | All Other | 10/4/62 | 100.00 |
| Industrial Group | 31/12/70 | 128.20 | | | |

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

## REGIONAL MARKETS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Albany Inv (20p) | 12 | ...... | Gardiner Sons | 11 | ...... | Sheff. Refrshmt | 155 | ...... |
| Ash Spinning | 37 | ...... | Gardner (L.) | 60 | ...... | Shiloh Spinn. | 28 | ...... |
| Bertam | 16 | ...... | Graig Sh'p (£1) | 460 | ...... | Sindall (Wm.) | 45 | ...... |
| Brady (G.) "A" | 53 | ...... | Halliam Sl. (10p) | 9 | +1½ | Vincent (H.) | 87½ | ...... |
| Br'wtr Est. (50p) | 140 | ...... | Higsons Brew | 85 | +5 | IRISH | | |
| Clover Croft | 40 | ...... | Holt Joseph 25p | 178 | +8 | Alliance Gas £1 | 38 | ...... |
| Craig & Rose £1 | 515 | ...... | IOM Steam £1 | 110 | ...... | Carroll (P.J.) | 115 | −3 |
| Dundee Crm £1 | 180 | ...... | Kleen-E-Ze | 29 | ...... | Clondalkin | 60 | ...... |
| Dundee Ice £1 | 300 | ...... | Lovell's Shp £1 | 130 | ...... | Concrete Prods. | 70 | ...... |
| Dyson (R. A.) | 29 | ...... | NthnGoldsm'th | 70 | +5 | Goodbody (£1) | 59 | ...... |
| Ellis & McHdy | 67 | ...... | PMA | 34 | ...... | Helton (Hldgs) | 81½ | ...... |
| Evans Frnk (10p) | 31 | ...... | Pearce C.H. | 98 | ...... | Irish Distillers | 71 | +1 |
| Evered | 12 | −½ | Peel Mills | 17 | ...... | Irish Wire Bd. | 40 | ...... |
| Fire Forge | 46 | ...... | Richards (10p) | 10 | ...... | Jacob | 60xd | ...... |
| Finlay Pkg (5p) | 16 | ...... | Robb Cal. (5p) | 66 | ...... | Sunbeam | 15 | +1 |
| Frnt & Reed (50p) | 94xd | ...... | Severn Con 12½p | 9 | ...... | Unidare | 61 | ...... |

## PLA to aid Brisbane port plan

Financial Times Reporter

THE PORT of London Authority's consultancy subsidiary, Placon, will be advising on the proposed $A100m. development of the Port of Brisbane, Australia.

The PLA said yesterday that its assistant director-general, Mr. Noel Ordman, who is chairman of Placon, would go to Brisbane. Placon will work with the London-based affiliate of the Australian firm of Rendell and Partners, main consultants for the project.

A master plan is to be prepared covering development of the Port of Brisbane for the next five to 15 years and the study is expected to take six to eight months to complete.

## Cricket by phone service

IN A 14-week season starting on June 4, the cricket-by-phone information service will cover more matches (47) than before. The service is also being extended to Folkestone, Newbury, Salisbury, Sevenoaks and Tunbridge Wells.

It will give up-to-the-moment information on all the matches of two major competitions—the Prudential Cup—"The World Cup"—and the Gillette Cup—and on the last three rounds of the Benson and Hedges Cup competition, as well as the four Test matches with Australia. In London, the service will again be available on a 24-hour basis. Callers in the capital should dial a new number—154 instead of 160.

## Vickers chief criticises Industry Bill

MR. PETER MATTHEWS, chief executive and managing director of Vickers, said in Manchester yesterday that the Government's Industry Bill had not considered sufficiently the impact a National Enterprise Board could have on customer and management confidence.

"Vickers shipbuilding and aircraft production have not fallen on hard times and are not lame ducks which need rescuing. Both are in good shape and have good order books," said Mr. Matthews.

"Now they will be pushed into nationalisation, where the mere transition is a problem. Yet nobody had made out the case for nationalising them, other than that it is the doctrine of the Labour Party."

## Safety award for Lotus

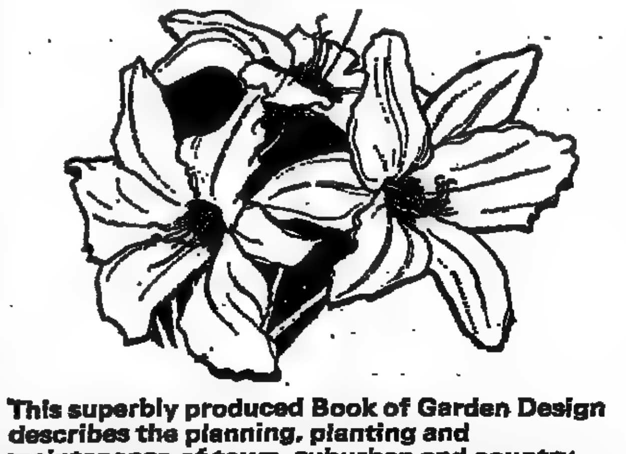
Financial Times Reporter

LOTUS, the Norfolk-based sports car company, was yesterday awarded the Don Safety Trophy for the Lotus Elite.

The award cites the Elite's primary and secondary safety capabilities, the good fuel economy with low emission of pollutants, the care taken to reduce the risk of fire, and extensive use of fire retardent materials.


# The Financial Times Book of Garden Design

Editor: Anthony Huxley.
Contributors: John Brookes, Robin Lane Fox and *Arthur Hellyer, MBE, FLS, VMH, AHRHS.*



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# Profit-taking hits shares: Dow off 7

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 20.

STOCKS TRADED over a narrow range and in both directions most of the session before falling in the last hour of trading. The weak tone was partially attributed to profit-taking.

Analysts suggested that sentiment may have been dampened by a U.S. Government report which indicated the economic recession in the first quarter was worse than had been originally reported.

The Dow Jones Industrial Average fell 7.20 to 830.49, while the NYSE Common stock index lost $0.21 to 47.80. Declines led advances, 743 to 653. Turnover expanded to 18.31m. shares. The Transport Index lost 1.44 at 168.22. Stocks fell 1.93 to 253.38. And Utilities shed 0.13 at 78.03.

IBM fell $3 to $215. The company denounced the U.S. Government's monopoly suit against the company in opening remarks at the civil anti-trust hearing.

J. C. Penney fell $2½ to $55¾ after announcing that first quarter profits had fallen by 86 per cent. Mesta Machine lost $2½ to $19¾ after reporting sharply lower quarterly earnings.

Mountain Fuel Supply climbed $1½ to $37¼. The company announced that natural gas was flowing at a rate of 3.4m. cubic feet per day during a test in a development well in North-East Wyoming.

Esmark Inc. eased ¼ to $26¾. The company and Clark Oil and Refining announced the termination of merger discussions. Clark Oil's stock lost ¾ to $11¾.

Hewlett-Packard dropped a point to $103¾ after trading as high as $106 after reporting improved earnings.

General Motors and Ford Motor fell more than a point each in the Motors sector while Standard of Indiana and Standard of Ohio lost more than a point each among Oils.

Du Pont fell $1¾ to $124¾ in Chemicals. Heavily traded Kaiser Aluminium lost $1¾ to $27¾.

Prices on the American Stock Exchange edged higher in light trading. The Amex index rose 0.16 to 87.37, while advances led declines 303 to 295. Turnover was 2.34m. shares (1.86m.).

Research-Cottrell gained ¾ to $17¾. It reported a profit in the second quarter against a loss a year ago. Bradford Computer lost $1 to $12¾, however, while Syntex and Houston Oil and Minerals surrendered fractions.

## OTHER MARKETS

### Canada mixed

Gold securities posted a sharp gain although stocks generally trended lower after a light day's trading on the Toronto Stock Exchange. With the total volume down to 1.36m. shares against Friday's 1.34m. Declines led advances 237 to 175 by the close.

The Industrial Index ended at 186.10 off 0.42. The Golds Index at 400.83 was up 19.5. Base Metals were off 0.80 at 72.83. And Western Oils at 181.66 were off 1.74.

The rush to Golds was general following strength in the bullion markets. Campbell Red Lake was the biggest gainer, up $1½ to $31½.

PARIS—Stocks fell in quiet trading with Banks, Portfolios, Foods, Constructions and Stores easier. Drinks, Cars, Engineerings and Electricals made smaller losses. Metals, Oils and Chemicals also fell.

CFP was lower after announcing a sharp fall in quarterly turnover. Carrefour lost Fr.19 and Aquitaine Fr.5.

Golds were steady but Americans and foreign oil companies were weaker.

BRUSSELS—The market was mixed with a majority of prices showing falls. Trading was quiet ahead of the end of the Account.

Tracelec, GB-Inno-BM and Vielle Montagne were slightly higher among local stocks. Yet Bruxelles-Lambert, Sofina, Cometra, St. Roch, Clabecq and Wagons Lits eased.

U.K., German and Dutch issues gained. Americans were generally lower, except IBM and Boeing which held steady.

ZURICH—The market continued irregular, with an easier bias overall.

Among industrial leaders, both Nestle issues and Fischer Bearer declined on sustained selling pressure, while in irregular Engineerings, BBC Bearer improved and Sulzer Registered and participation certificates eased.

Chemicals were irregular while in Financials, Juventa Bearer and participation certificates and Motor Columbus were easier. Oerlikon-Buehrle firmed, however. Insurances firmed, led by Zuerich Bearer and Registered and Rueckversicherung bearer, while major banks eased, apart from slightly higher Volksbank.

FRANKFURT—Shares generally tended lower in sporadic and dull trading.

Electricals, Motors, Engineerings and Steels all fell up to DM1.50 with Thyssen dropping FM1.80. AEG and Siemens led Electricals down. Banks and Stores were mixed. Commerzbank fell DM7.50 while Deutsche Bank rose DM1.50. Veba fell DM2.50 after its Aral unit said it was raising its petrol prices.

On the Bond market Public Issues were mixed but advances dominated.

MILAN—The market closed irregularly lower at the start of a new Account, with many shares ex-dividend.

Montedison, Fiat, Mira Lanza, Snia Viscosa and Anic lost ground, while both Pirellis, Olivetti Ordinary and La Centrale gained. Insurances met some small demand.

AMSTERDAM—Prices ruled quietly mixed with gains slightly outnumbering losses and sentiment aided by Wall Street's steady tone.

In Dutch Internationals Hoogovens, Unilever and Royal Dutch gained some ground but Akzo and Philips weakened.

Gains elsewhere were led by most food stocks. Heineken lost Fls.11 following its sharp first quarter profit decline published on Friday. Meneba, Bergoss, AMEV and VMF also fell.

OSLO—Irregular. Banks were steadier, Insurances weaker.

VIENNA—Steady in moderate trading.

COPENHAGEN—Mixed in moderate dealings. Banks gained ground.

JOHANNESBURG—Golds were steady in quiet dealings. Gains in small- and medium-priced shares were between 5 and 20 cents. Heavyweights were little tested, however.

Financial Minings were little changed but sometimes higher in line with producers. Platinums gained 3 to 8 cents on local support. Coppers however, were slightly lower. Other Industrials ruled steady.

HONG KONG—Advances led declines in active two-way trading and second-liners were particularly firm although smaller gains were recorded by leading issues.

TOKYO—Advances led declines as selective buying of recently neglected stocks offset profit-taking. As a result the market indices gained ground.

Blue Chips turned lower on profit-taking after early firmness. Shipping issues attracted bull buying. Pharmaceuticals, Foods and Chemicals were also slightly higher, but Motors, Assurance, Trading Houses, Housing and Real Estate shares eased slightly.

Takuma, Mitsubishi Chemical Engineering and Penta-Ocean advanced ahead of the result for the current term.

AUSTRALIA—The markets firmed in fairly active trading. Late demand pushed prices up with energy issues and industrial Blue Chips leading the advance.

Pan-Continental gained five cents while Queensland Mines and Kathleen both added two cents. Woodside-Burmah, easier in early trading rallied to close five cents higher and Oil Search also scored a gain.

Bougainville, MIM, North Broken Hill, Western Mining, Hamersley and CGFA also pushed ahead. AM and S and BH South, however, eased while Coal share Utah rose 10 cents. In Industrials, BHP climbed 14 cents. Sugars met support and advanced while breweries were generally steady.

## Indices

### NEW YORK

#### DOW JONES AVERAGES

| Close | Home Bonds | Transport | Indus | Util. | Trading volume 000's |
|---|---|---|---|---|---|
| May 20 | 67.35 | 168.22 | 830.49 | 78.03 | 18,310 |
| 19 | 67.36 | 169.66 | 837.69 | 78.16 | 17,810 |
| 16 | 67.35 | 168.20 | 837.61 | 78.16 | 15,630 |
| 15 | 67.64 | 170.39 | 848.30 | 78.85 | 27,690 |
| 14 | 67.61 | 173.47 | 858.73 | 78.30 | 29,050 |
| 13 | 67.65 | 172.36 | 850.13 | 72.84 | 24,460 |
| 12 | 67.61 | 171.52 | 847.47 | 73.48 | 22,410 |
| 9 | 67.64 | 171.91 | 850.13 | 77.30 | 22,440 |
| 8 | 67.69 | 170.72 | 840.50 | 76.57 | 21,980 |
| 7 | 67.62 | 170.25 | 836.44 | 76.47 | 22,280 |
| 6 | 67.65 | 171.20 | 854.73 | 76.26 | 26,410 |
| 5 | 67.54 | 174.12 | 855.60 | 76.19 | 22,570 |
| 2 | 67.70 | 171.99 | 842.42 | 74.64 | 25,210 |
| 1 | 67.53 | 170.76 | 830.96 | 74.29 | 20,660 |
| Apr. 30 | 67.64 | 171.52 | 821.34 | 74.04 | 18,060 |
| 29 | 67.37 | 168.02 | 803.04 | 74.16 | 17,740 |
| 1975 High | 68.22 (4/4) | 174.18 (6/5) | 858.73 (14/5) | 81.86 (21/1) | — |
| Low | 66.16 (31/1) | 146.47 (2/1) | 632.04 (2/1) | 72.02 (2/1) | — |
| All-time High | — | 279.88 (7/2/69) | 1051.70 (11/1/73) | 163.32 (20/4/69) | — |
| Low | — | 13.23 (8/7/32) | 41.22 (2/7/32) | 10.58 (8/4/32) | — |

† Excluding bonds.

#### IND. DIVIDEND YIELD p.c.

| May 20 | May 9 | May 24, 1974 |
|---|---|---|
| 4.61 | 4.64 | 4.49 |

#### N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

| 1975 High | 1975 Low | M'y20 | May19 | May16 | May15 | May14 |
|---|---|---|---|---|---|---|
| 48.83 (14/5) | 37.06 (2/1) | 47.80 | 48.01 | 47.98 | 48.44 | 48.83 |

#### RISES AND FALLS

| Issues traded | Up | Down | Unchanged |
|---|---|---|---|
| 1,818 | 653 | 743 | 422 |

| | M'y20 | May19 | May16 | May15 | May14 |
|---|---|---|---|---|---|
| New Highs | 101 | 73 | 68 | 174 | 178 |
| Lows | 3 | 5 | 8 | 10 | 8 |

#### AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

| 1975 High | 1975 Low | M'y20 | May19 | May16 | May15 | May14 |
|---|---|---|---|---|---|---|
| 87.88 (14/5) | 62.20 (2/1) | 87.37 | 87.21 | 87.11 | 87.49 | 87.88 |
| Volume (000's) | | 2,340 | 1,860 | 2,090 | 2,410 | 2,740 |

#### STANDARD AND POORS U.S. STOCK INDICES

| | *Industrials | †Composite |
|---|---|---|
| May 20 | 101.51 | 90.07 |
| 19 | 102.06 | 90.43 |
| 16 | 101.93 | 90.45 |
| 15 | 103.06 | 91.41 |
| 14 | 104.04 | 92.27 |
| 13 | 103.22 | 91.58 |
| 12 | 102.08 | 90.61 |
| 1975 High | 104.04 (14/5) | 92.27 (14/5) |
| 1975 Low | 77.72 (8/1) | 70.74 (8/1) |

* 425 Industrials. † 425 Industrials, 40 Utilities, 15 Rails.

#### STOCK AND BOND YIELDS

| | May 14 1975 | May 7 1975 | May 8 1974 |
|---|---|---|---|
| Ind. Ord. yield pc | 3.63 | 3.76 | 5.39 |
| Ind. Ord. p-e ratio | 10.75 | 10.35 | 11.65 |
| Long-term Govt. Bds. per cent. | 8.00 | 8.74 | 8.73 |

#### TUESDAY'S ACTIVE STOCKS

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Polaroid | 247,200 | 32¾ | −6 |
| Macmillan Inc. | 231,700 | 6 | −¼ |
| Texaco | 167,000 | 23¾ | −¼ |
| Am Tel Tel | 160,000 | 49¾ | — |
| RCA Corp. | 150,900 | 18¾ | +¼ |
| Kaiser Alum | 149,300 | 27¾ | −1¾ |
| Xerox Corp. | 143,900 | 77¾ | +¾ |
| Boeing | 135,400 | 28¾ | — |
| Gulf Resrces. | 115,700 | 20¾ | +1¾ |
| Rite Aid | 110,600 | 13¾ | +¾ |
| Gulf Oil | 110,200 | 18¾ | −¾ |

### TORONTO

#### INDUSTRIAL INDEX

| May 20 | May 16 | 1975 High | 1975 Low |
|---|---|---|---|
| 186.10 | 186.52 | 188.66 (17/4) | 159.41 (3/1) |

### MONTREAL

#### INDUSTRIAL INDEX

| May 20 | May 16 | 1975 High | 1975 Low |
|---|---|---|---|
| 189.14 | 189.88 | 191.02 (14/5) | 158.02 (2/1) |

#### COMBINED INDEX

| May 20 | May 16 | 1975 High | 1975 Low |
|---|---|---|---|
| 186.10 | 186.52 | 186.66 (17/4) | 159.41 (2/1) |

### JOHANNESBURG

| | May 20 | May 19 | 1974-75 High | 1974-75 Low |
|---|---|---|---|---|
| Industrials | 207.5 | 207.4 | 210.3 (17/2) | 153.0 (23/1) |
| Golds | 311.6 | 309.7 | 378.1 (2/1) | 258.2 (15/4) |

(1958=100.) Source: Rand Daily Mail. * 1974.

### MELBOURNE YIELDS

| Av'ge yield on 50 Leading Stocks | May 20 | May 19 | May 5 |
|---|---|---|---|
| On Dividends | 7.65 | 7.65 | 7.48 |
| On Earnings | 14.50 | 14.50 | 14.17 |

### SYDNEY ALL ORD. INDEX

| May 20 | May 19 | High 1975 | Low 1975 |
|---|---|---|---|
| 350.59 | 348.77 | 369.48 (14/1) | 289.88 (8/1) |

### TOKYO NEW SE INDEX

Base=100 January 4, 1968.

| May 20 | May 19 | High 1975 | Low 1975 |
|---|---|---|---|
| 332.62 | 331.60 | 332.25 (15/5) | 268.24 (10/1) |

### HONG KONG INDEX ●

| May 20 | May 19 | High 1975 | Low 1975 |
|---|---|---|---|
| 329.25 | 325.95 | 335.64 (23/4) | 160.48 (9/1) |

### SINGAPORE INDEX §

| May 20 | May 19 | High 1975 | Low 1975 |
|---|---|---|---|
| 247.67 | 248.40 | 268.69 (11/5) | 153.26 (6/1) |

### EUROPE

| | May 20 | Previous | 1975 High | 1975 Low |
|---|---|---|---|---|
| Belg'm (a) | 111.66 | — | 111.81 (1/5) | 89.07 (2/1) |
| Denm'k (b) | 90.05 | — | 90.09 (14/5) | 75.36 (16/1) |
| France (d) | 68.6 | — | 72.0 (25/4) | 51.70 (2/1) |
| Germ'y (e) | 682.6 | — | 726.1 (15/4) | 576.0 (2/1) |
| Holland (f) | 105.0 | — | 107.6 (2/5) | 83.8 (2/1) |
| Italy (g) | 97.38 | 98.20 | 102.86 (21/2) | 85.86 (8/1) |
| Spain (h) | 104.33 | — | 110.36 (22/4) | 91.20 (16/1) |
| Sweden (k) | 371.67 | — | 376.65 (16/5) | 310.67 (8/1) |
| Switz'rl'd (m) | 284.2 | — | 295.1 (6/5) | 236.0 (2/1) |

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ● Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

## OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1 103% (100¾%).

### NEW YORK

### CANADA

### GERMANY ●

### PARIS

### MILAN

### AMSTERDAM

### TOKYO ¶

Source Nikko Securities Tokyo.

### STOCKHOLM

### SWITZERLAND ●

### AUSTRALIA

### BRUSSELS

### OSLO ●

### COPENHAGEN

### VIENNA

### JOHANNESBURG

### SPAIN ▽

# Pound steady

Sterling showed little net change against major currencies in general in the foreign exchange market yesterday. Its trade-weighted average depreciation against ten units since the Washington Currency Agreement of December, 1971 (as calculated by the Bank of England) was unchanged on the day, at 25.0 per cent., and stood at 25.0 per cent. in early dealings, and at 24.9 per cent. at noon. In terms of the U.S. dollar, the pound finished 5 points up at $2.3035-2.3045—opening at $2.3010-2.3020, and touching $2.3065-2.3075 at one stage in the morning. Conditions were fairly quiet, with the latest cuts in the U.S. banks' prime lending rates having a modest impact. The dollar's trade-weighted fall against 14 currencies since the Washington Agreement (as measured by Morgan Guaranty on noon rates in New York) widened a little, to 6.67 per cent., from 6.60 per cent. Sterling's depreciation on a similar basis widened the barest shade, to 30.39 per cent., from 30.38 per cent. The Japanese yen's weighted appreciation against 14 currencies since the Agreement, on the Morgan Guaranty basis, moved closer to zero—narrowing to 0.05 per cent. from 0.21 per cent.

Gold fell $1 an ounce on balance in London to $166¾-167¾, in moderate business. The metal opened at $167¾-168¾—and fell away over the day. The Krugerrand ended in places at a premium of 22¾ per cent. over its gold content in domestic business, against 21¾ per cent. on Monday, and at 3⅞ per cent. in international, against 3 per cent.

## EXCHANGE CROSS-RATES

## EURO-CURRENCY INTEREST RATES*

Euro-French deposit rates: two days' notice 7¾-7¾ per cent.; seven days' notice 7¾-7¾ per cent.; one month 8¾-8¾ per cent.; three months 7¾-8¾ per cent.; six months 8¾-8¾ per cent.; one year 9¾-9¾ per cent.

Longer-term Eurodollar deposits: two years 8¾-9 per cent.; three years 9-9¾ per cent.; four years 9¾-9¾ per cent.; five years 9¾-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5¾-5¾ per cent.; three months 6¾-5¹⁵⁄₁₆ per cent.; six months 7-6¾ per cent.; one year 8¹⁄₁₆-7¾ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

## GOLD MARKET

## FOREIGN EXCHANGES

## FORWARD RATES

مكتبة الأصل

## STOCK EXCHANGE REPORT

# Another broad advance but leaders well below best

## Index up 2.1 at new 1975 peak of 355.9, after 361.8

**Account Dealing Dates**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| May 5 | May 15 | May 16 | May 28 |
| May 19 | May 29 | May 30 | Jun. 10 |
| Jun. 2 | Jun. 12 | Jun. 13 | Jun. 24 |

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets enjoyed another all-round advance yesterday, but leading industrials closed well below the best. Underlying sentiment in the latter stages of trading was not helped by talk that an opinion poll to be published to-day would show a reduced majority in favour of staying in Europe. The FT 30-share index, which touched its best of the day at 1 p.m. with a rise of 8 points, ended only a net 2.1 better at a new peak for the year of 355.9 and its highest since December 3, 1973. The earlier advance was helped by fresh institutional demand.

Second-line equities again attracted a fair measure of interest, the broad nature of the rise being reflected in a 6—1 majority of rises over falls in FT-quoted Industrials, up from 7—2 on Monday. The FT-Actuaries' All-Share index rose 2.7 per cent. to a new 1975 "high" of 152.07.

Exporters and overseas-orientated companies again stood out in the day's advance, while trading statements provided some good features. The recent lull in fund raising was broken yesterday following news of a proposed £8.4m. "rights" issue from Ever Ready.

### Gilts quiet

British Funds passed a rather quiet session. The reduction in U.S. Treasury Bill Rates stimulated a little activity in short-dated stocks at the outset, but this soon faded and initial gains of around ½ were pared to an ⅛ by the close of business. Mediums and longs, however, ended at overnight levels with trading barely sufficient to test prices. The Government Securities index hardened 0.05 further to 57.62.

Little business occurred in the investment currency market, although the premium managed to improve 2½ to 103 per cent. Yesterday's SE conversion factor at 1.30 pm was 0.5551 (0.5579).

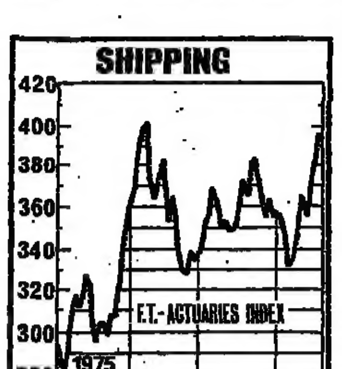
### Banks below best

The big four Banks made good progress during a fairly active business and were showing improvements to 15 at one stage. However, profit-taking just before, and after the "House" close brought swift reactions and cut some early rises by more than half. Barclays fared best, closing 10 higher at 295p, after 300p, but Lloyds were only 3 up at 237p, *after 245p, as were Midland*, at 265p, after 270p. Bank of Scotland continued to be well supported, rising 15 more to 260p, after 262p. The bullish interim statement boosted Australia and New Zealand, which gained 20 to 420p in Foreign issues. Discounts closed firmer for choice with *Seccombe Marshall and Campion* 15 up at 265p after the results. Alexanders rose 10 to 193p.

Profit-taking also caused Insurances to close below the day's best. "Royals," however, managed a gain of 10 at 334p, after 339p, and Sun Alliance ended 15 better at 485p, after 490p. Pearl put on 8 to 236p, after 240p.

Although closing below the best in places on profit-taking, Breweries and kindred issues chalked up some useful price gains. In a thin market, Vaux put on 13 to 253p, after 257p, while Wolverhampton and Dudley added 9 to 127p; the latter's interim results are due to-morrow. Still reflecting Press comment, Boddingtons gained 6 to a 1975 "high" of 90p. Bass Charington edged forward 3 to 107p, after 109p, but Allied closed only ½ better at 69p, after 70½p. Buying on overseas earnings considerations helped Teacher (Distillers) rise 12 to 152p.

Buildings closed with widespread gains following fresh evidence of a moderate revival in the housing programme. Contractors were particularly favoured; Taylor Woodrow advanced 14 to 314p, while Newarthill, 78p, and R. Costain, 216p, put on 7 and 10 respectively. John Laing "A" moved up 8 to 162p following contract news, while gains of 4 were seen in L. Fairclough 210p, and Marley, 88p. Richards and Wallington continued firmly, rising 5 more to 70p with the new nil-paid closing 4 higher at 23p premium. International Paint were 7 to the good at 135p, while Timbers had Southerns-Evans 5 better at 78p and Magnet Joinery 6 higher at 157p.




ICI, ahead of to-morrow's quarterly report, improved to 278p in active trading before closing 3 better on the day at 275p. Coalite and Chemical firmed 1½ to a 1975 peak of 24½p on the increased earnings. Rentokil advanced 7 to 74p, but Laporte eased 5 to 89p on the profits warning.

### F. W. Woolworth please

Stores were featured by F. W. Woolworth, which improved to 52½p in active trading in response to the much better-than-expected first-quarter figures before closing 4 up on the day at 50½p. Debenhams, ahead of to-morrow's results, were active and 2 harder at 83p, after 84p. H. Samuel "A" picked up 4 more at 177p following Press comment on the preliminary statement, while similar rises were seen in Raybeck, 48p, and Combined English Stores, 73p. UDS continued firmly, rising 3 to 112p, after 113p for a two-day rise of 10. A good business developed in Mothercare which finished 2 firmer at 178p, after 182p, while other popular issues included J. Beattie "A," 4 up at 106p, and Ratners, 6 higher at 86p.

Electrical leaders reacted from initial firmness to close with modest mixed changes on balnce. GEC were finally 3 harder at 126p, after 128p, and EMI 2 firmer at 193p, after 196p, but net losses of 1 were sustained by Plessey, 77p, after 79p, and BICC, 133p, after 138p. Philips' Lamp gained 15 at 870p on Amsterdam support and the firmer investment premium. Firm secondary issues were featured by Ever Ready, which closed with an advance of 8 at 93p, after 95p, reflecting the better-than-expected results accompanying an £8.4m. "rights" offer. BSR, however, reacted 4 to 76p and Sound Diffusion, on the full report, receded 2 to 10p. Muirhead closed 1 off at 55p after the half-time statement.

Another good day in the Engineering leaders was spoilt late by profit-taking. Tubes, for instance, closed only 4 up at 292p, after 298p, and GKN sustained a penny fall at 255p, after 261p. Elsewhere near trebled half-year profits accompanied by the chairman's bullish statement helped RHP put on 4 to 66p, after 69p, while the chairman's encouraging remarks at the AGM helped Averys rise 9 to 106p. Blackwood Hodge improved 3 to 160p and Acrow "A" put on 6 to 65p, while Press comment attracted further interest to Babcock and Wilcox, up 3 more to 114p, after 117p.

Foods closed below the best following a good business. After reaching a 1975 "high" of 139p, Cavenham closed 3 better on the day at 135p. J. Sainsbury improved 6 to 184p, while Fitch Lovell, 71p, and Manbre and Garton, 134p, put on 4 apiece. RHM ended 2½ up at 47½p. Northern Foods, ahead of to-morrow's interim results, moved up 4 to 76p. Biscuit manufacturers remained in demand, Associated closing 4 better at 70p and United finishing 5 to the good at 109p. In Supermarkets, Gateway Securities "A" improved 4 to 32p.

J. Lyons "A," still on Press comment, advanced 12 more to 174p for a two-day rise of 20. Ladbroke picked up 4 more at 176p and Trust Houses Forte advanced 6 to 116p.

### Reed Intl. react

There was a good two-way business in the Miscellaneous Industrial leaders, with prices turning down late after making further early progress. Reed International finished 8 down on the day at 278p, after 288p, in front of Friday's annual results. Boots, a strong market of late on the results and proposed scrip issue, ended 2 off at 270p, after 276p, while Beecham, awaiting to-day's preliminary figures, closed only 2 firmer at 295p, after 301p. Glaxo were finally 6 up at 411p, after 420p, while Rank Organisation New 70p paid "A" closed 2 harder at 107p, after 111p, and Bowater just 1 firmer at 163p, after 169p. Elsewhere, precious metal refiners Johnson Matthey were a buoyant market at 302p, up 17, helped by Press comment suggesting platinums as an attractive investment. Kleeman moved ahead 20 to 190p in a thin market, while Royal Worcester added 13 at 167p. Advances of about 10 occurred in Bridon, 164p, James Finlay, 150p, and Bestobell, 160p, while Hanson Trust, 139p, and Wood Hall Trust, 96p, both closed 7 higher. Trafalgar House improved 5 more to 120p in front of to-morrow's interim results, while H. C. Slingsby, on the increased profits, gained 4 at 30p. The Australian-based Broken Hill Proprietary moved ahead 35 to 665p in re*sponse to a steel price increase.*

Motor and kindred issues shrugged off the recent gloom caused by labour disputes in the industry but in common with other markets, prices were often closing below the day's best. Rolls-Royce moved up afresh to 66p before ending a net 3 higher at 64p, while Dowty, 112p, after 114p, and Lucas Industries, 129p, after 132p, both ended 7 to the good. Dunlop, however, were out of step at 51p, down 4, after the recent rise on better-than-expected results.

Newspapers with North Sea interests continued to attract attention, Thomson Organisation rising 5 to 188p, while Associated Newspapers gained 7 to 115p. British Printing put on 3 more to 48p in Paper/Printings in further response to a Press mention.

After an initial further improvement, leading Properties came on offer and closed generally easier on balance. MEPC sustained a reaction of 5 at 179p, after 186p, while Land Securities closed 2 off at 219p, after 226p, and English Property 1 down at 89½p, after 93p. *Secondary issues* were inclined to hold on to fresh gains, although Bernard Sunley, after moving ahead to 188p in a thin market, closed well below the day's best at 180p for a net rise of 7.

### Tricentrol down

The Oil leaders encountered a fairly large turnover and pressed ahead further before partially reacting with the general trend. British Petroleum closed well below the day's best with a gain of 3 at 458p, after 465p, ahead of first-quarter results due to-morrow week. Shell Transport advanced afresh to 341p before closing a net 7 higher at 338p, while Royal Dutch, helped by the firmer dollar premium, gained ⅜ at £27⅞. Elsewhere, Ultramar finished just 2 firmer at 198p, after 206p. British Borneo improved 6 to 160p, but the contraction in profits and final dividend omission caused Tricentrol to retreat 6 to 72p.

Companies involved in the reorganisation of Sir Denys Lowson's empire again edged forward. British Isles and General, 350p, and Nelson Financial, 400p, put on 10 more apiece, while First Re-Investments added 5 to 255p as did Melbourne and General to 140p. Capital shares proved popular with Dualvest 9 up at 132p, New Throgmorton 7 dearer at 62p and Triplevest 10 better at 124p. Dalgety gained 13 to 240p and London United rose 7 to 69p. Still reflecting Press comment, Lubok Investments gained 2½ to 40½p and the 12 per cent. Convertible jumped 11 points to £163.

Furness Withy were outstanding in Shippings, forging ahead to 217p on favourable Press comment before closing 9 firmer on balance at 214p. Walter Runciman ended 10 up at 110p after the figures, but P & O Deferred drifted late to finish 1 off at 119, after 122p.

Courtaulds, which report preliminary results a week to-morrow, attracted further investment demand and touched 127p before closing 2 better on balance at 125p. The chairman's warning at the AGM that the company must expect a loss for 1975 unsettled British Enkalon, which cheapened 1 to 15½p.

Bats continued to be bought on overseas earnings considerations and improved to 333p before easing later on profit-taking to close only a net 2 firmer at 330p.

### Golds pause

Gold shares turned easier following a reaction in the bullion price, but offerings of stock were limited and the downward movement was stemmed by a modest recovery in the investment dollar premium. The gold price ended the day $1 lower at $167.25 per ounce and the Gold Mines index was 3.2 off at 402.7.

West Rand Consolidated managed a 20 gain at 385p, but otherwise losses ranged to ½ in Hartebeest at £27½. Venterspost were 20 lower at 940p and Deelkraal gave up 8 at 82p premium.

Financials ended showing a majority of small losses. The London-based issues turned easier in after-hours trading in *line with the U.K. Industrial* market, Gold Fields being 5 off at 282p and Charter 3 lower at 201p. In front of to-day's annual meeting, RTZ touched a 1975 high of 211p before closing 2 lower on balance at 208p.

Renewed Irish buying added a further 3 to Silvermines at a year's high of 62p. Anglo American came back 5 to 475p and De Beers were unaltered at 298p after 300p. Renewed Cape demand strengthened Platinums where Potgietersrust (215p) and Lydenburg (117p) were both 9 to the good. Bishopsgate added 4 at 88p.

Australians were higher in line with markets in Sydney and Melbourne overnight, especially Pancontinental which jumped 35 to 335p after 345p. Otherwise, MIM added 9 at 217p and Emperor Mines gained 15 at 185p.

Scattered small gains were recorded in a quiet Tin section. Elsewhere, a return of Cape demand reversed the recent downward movement in Murchison which rallied 25 to 685p.

## FINANCIAL TIMES STOCK INDICES

| — | May 20 | May 19 | May 16 | May 15 | May 14 | May 13 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 57.62 | 57.57 | 57.50 | *57.39 | 57.35 | 57.20 | 58.53 |
| Fixed Interest | 57.24 | 57.14 | 57.17 | 57.14 | 57.14 | 57.07 | 57.93 |
| Industrial Ordinary | 355.9 | 353.8 | 341.8 | 335.5 | 330.9 | 332.3 | 294.6 |
| Gold Mines | 402.7 | 405.9 | 389.8 | 399.4 | 402.2 | 393.2 | 315.2 |
| Ord. Div. Yld. % | 5.84 | 5.86 | 6.06 | 6.11 | 6.23 | 6.21 | 6.67 |
| Earnings Yld.% (full)(a) | 17.19 | 17.21 | 17.79 | 18.08 | 18.30 | 18.23 | 17.22 |
| P/E Ratio (net) (a) (b) | 8.20 | 8.18 | 7.91 | 7.78 | 7.69 | 7.71 | 8.25 |
| Dealings marked | 8,818 | 6,981 | 6,652 | 7,547 | 8,771 | 8,665 | †5,898 |
| Equity turnover £m. | — | 85.46 | 95.63 | 68.53 | 135.66 | 99.43 | 46.85 |
| Equity bargains total | — | 21,638 | 20,632 | 19,098 | 21,148 | 24,676 | 11,074 |

10 a.m. 357.5. 11 a.m. 359.5. Noon 361.2. 1 p.m. 361.8. 2 p.m. 361.4. 3 p.m. 361.7.

Latest Index 01-246 8026. Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.17.

Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. * Corrected.

### HIGHS AND LOWS

| — | 1975 High | 1975 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 62.54 (20/3) | 49.18 (3/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 62.31 (21/3) | 50.53 (3/1) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 365.9 (20/5) | 146.0 (6/1) | 543.6 (19/5/72) | 49.4 (26/6/40) |
| Gold Mines | 425.6 (25/3) | 280.2 (30/1) | 425.4 (13/11/74) | 43.5 (26/10/71) |

### S.E. ACTIVITY

| — | May 20 | May 19 |
|---|---|---|
| Daily— | | |
| Gilt-Edged | 117.8 | 116.7 |
| Industrials | 347.4 | 259.5 |
| Speculative | 83.1 | 77.5 |
| Totals | 200.7 | 158.2 |
| 5-day Av'rge | | |
| Gilt-Edged | 125.2 | 151.7 |
| Industrials | 286.1 | 280.2 |
| Speculative | 88.9 | 93.0 |
| Totals | 175.6 | 174.9 |

## FT—ACTUARIES INDICES

| — | May 20 | May 19 | May 16 | May 15 | May 14 | May 13 | A year ago |
|---|---|---|---|---|---|---|---|
| Industrial Group | 141.24 | 137.18 | 132.32 | 131.54 | 129.62 | 131.18 | 118.60 |
| 500 Shares | 152.81 | 148.74 | 143.87 | 142.77 | 140.65 | 142.46 | 127.99 |
| Div. Yield pc. | 5.75 | 5.92 | 6.12 | 6.17 | 6.25 | 6.17 | 6.36 |
| P/E Ratio (net) | 7.47 | 7.29 | 7.05 | 6.99 | 6.88 | 6.96 | 7.78 |
| All Share | 152.07 | 148.02 | 143.43 | 142.23 | 140.27 | 142.08 | 124.99 |
| Consols yield pc. | 15.09 | 15.20 | 15.18 | 15.18 | 15.17 | 15.28 | 13.94 |

## AUTHORISED UNIT TRUSTS

(a) (g) Abacus Arbuthnot Ltd.
33, Fountain St., M/C. 061-236 9773/8

| | | | | Yield % |
|---|---|---|---|---|
| Giants | 33.8 | 35.4 | +1.2 | 4.30 |
| Giants Accum. | 35.0 | 36.9 | +1.2 | 4.30 |

(a) (g) The Crescent Group
Crescent Unit Trust Managers Ltd.
4, Melville Cres., Edinburgh 3. 031-226 4931
31, Fountain St., Manchester. 061-236 5685

| | | | | Yield % |
|---|---|---|---|---|
| Crescent Growth | 18.7 | 19.8 | +0.5 | 4.82 |

(a) (c) Lawson Securities Ltd.
63 George Street, Edinburgh. 031-226 3911

| | | | | Yield % |
|---|---|---|---|---|
| Scots Resources | 70.5 | 75.8 | ...... | 3.70 |
| Gilt & Warrant | 26.5 | 30.3 | +0.4 | 1.74 |
| High Yield | 104.6 | 113.6 | ...... | 13.50 |

(a) (z) Pearl Montagu T. Mgrs. Ltd.
114, Old Broad St., EC2P 2EB. 01-588 6464

| | | | | Yield % |
|---|---|---|---|---|
| P&M Growth Fd. | 18.6 | 20.1 | +0.5 | 4.06 |
| (Accum. Units) | 20.2 | 21.8 | +0.5 | 4.06 |
| P&M IncomeFd. | 22.6 | 24.4 | +0.4 | 7.01 |

(a) (g) Slater Walker Tst. Mangmt.

| | | | | Yield % |
|---|---|---|---|---|
| S.W. Growth | 62.5 | 66.9 | +1.8 | 5.29 |
| S.W. Asset Trust | 54.1 | 57.9 | +2.0 | 6.60 |
| S.W. Capital Acc. | 38.0 | 40.7 | +0.8 | 4.72 |
| S.W. Financial Tst. | 38.7 | 41.4 | +0.4 | 3.68 |

[INSURANCE, PROPERTY, BONDS PRICES PAGE 35]

## OFFSHORE AND OVERSEAS FUNDS

Albany Management Co. Ltd.
P.O. Box 1349, Hamilton, Bermuda.

| | | | | Yield % |
|---|---|---|---|---|
| Albany Fd. Ltd. | $5.27 | 5.66 | ...... | — |

Australian Selection Fund N.V.
Lond. Agent, Pan Australian Inv. Mgt. Ltd., 20, Red Lion Court, E.C.4. 01-353 3416

| | | | | |
|---|---|---|---|---|
| U.S.$10 shares | US$8.00 | | ...... | — |

Next sub. day May 27.

Banque de Bruxelles S.A.
2 rue de la Regence B 1000, Brussels

| | | | | |
|---|---|---|---|---|
| Fd. Fiducem B.F. | 900 | 939 | —2 | 3.53 |

Free World Fund Limited
Butterfield Building, Hamilton, Bermuda

| | | | | Yield % |
|---|---|---|---|---|
| NAV Apr. 30 | US$182.62 | | ...... | — |

G.T. Bermuda Ltd.
Bk. of Bermuda, Front St., Hamiltn, Brmda

| | | | | |
|---|---|---|---|---|
| Berry PcFd May 14 | US$24.84 | | ...... | 1.70 |
| Ja. Pac Stlg May 14 | 125.80 | 130.80 | ...... | 3.35 |
| Berry Int Fd May 14 | US$10.44 | | ...... | 1.05 |
| GT Dlr Fd. May 14 | US$5.81 | | ...... | 1.90 |

Hill Samuel & Co. (Guernsey) Ltd.
8, Lefevre St., St. Peter Port, Guernsey, CI

| | | | | |
|---|---|---|---|---|
| Guernsey Trust | 118.0 | 125.1 | +5.7 | 5.07 |

Murray Johnstone (Inv. Adviser)
163 Hope St., Glasgow C.2 041 221 5521

| | | | | Yield % |
|---|---|---|---|---|
| *Hope Street Fund | US$21.00 | | +0.78 | — |
| ‡Murray Fund | US$6.15 | | ...... | — |

*NAV May 15. ‡NAV April 30.

Negit S.A.
10a, Boulevard Royal, Luxembourg.

| | | | | |
|---|---|---|---|---|
| NAV May 9 1975 | US$9.70 | | ...... | — |

Negit Ltd.
Bank of Bermuda Bldg., Hamilton, Brmda.

| | | | | |
|---|---|---|---|---|
| NAV May 9 1975 | £6.02p | | ...... | — |

# FT SHARE INFORMATION SERVICE

## **BRITISH FUNDS

| 1975 High | 1975 Low | Stock | Price £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| | | **"Shorts" (Lives up to Five Years)** | | | | |
| 98 15/32 | 98 15/32 | Savings 3pc '65-75‡‡ | 98 15/32 | ...... | 3.04 | 9.57 |
| 99⅜ | 94¾ | Exch. 6½pc 1976‡‡ | 97½ | ...... | 6.65 | 9.47 |
| 97½ | 92⅞ | Treasury 6½pc 1976‡‡ | 96⅝ | ...... | 6.73 | 9.55 |
| 98½ | 97 | Victory 4pc 1976‡‡ | 98½ | ...... | 4.08 | — |
| 102 | 96⅞ | Treasury 10½pc 1976‡‡ | 100¼xd | ...... | 10.41 | 9.86 |
| 95 | 88⅞ | Treasury 6¼pc 1977‡‡ | 93⅞ | +⅛ | 6.66 | 9.92 |
| 91¼ | 86¾ | Electric 3pc '74-77 | 91 | +⅛ | 3.30 | 8.42 |
| 103½ | 96⅞ | Treasury 11½pc '77‡‡ | 101 11/16 | −1/16 | 11.31 | 10.61 |
| 88 1/16 | 84 | Treasury 3pc '77‡‡ | 86 11/16xd | −1/16 | 3.46 | 9.09 |
| 88⅝ | 84½ | Transport 4pc '72-77 | 87 15/16xd | ...... | 4.56 | 9.49 |
| 96 13/32 | 90½ | Treasury 9pc 1978‡‡ | 95 1/16 | +1/16 | 9.47 | 11.05 |
| 96 13/16 | 93¼ | Treasury 9pc '78 'A'‡‡ | 95 1/16 | +1/16 | 9.47 | 11.07 |
| 100 1/16 | 96⅝ | Treasury 10½pc '78‡‡ | 98⅝ | +1/16 | 10.67 | 11.11 |
| 87⅜ | 79 | Exchequer 5pc '76-78‡‡ | 85½ | ...... | 5.85 | 10.20 |
| 103 | 94 7/16 | Treasury 11½pc '79‡‡ | 100 1/16 | −1/16 | 11.44 | 11.32 |
| 79⅜ | 71⅝ | Treasury 3pc '79‡‡ | 76½ | −⅛ | 3.92 | 9.78 |
| 81 | 73⅞ | Electric 4¼pc '74-79 | 79¼ | +⅛ | 5.36 | 10.27 |
| 100 1/16 | 96 | Treasury 10½% '79‡‡ | 97 11/16xd | ...... | 10.75 | 11.15 |
| 79⅜ | 71 | Electric 3½pc '76-79 | 77½xd | +½ | 4.52 | 9.89 |
| 95 | 84 | Treasury 9pc 1980‡‡ | 92⅛ | +⅛ | 9.77 | 11.14 |
| | | **Five to Fifteen Years** | | | | |
| 79 | 68¼ | Treasury 3½pc '77-80 | 74¼xd | ...... | 4.66 | 9.89 |
| 84½ | 71 | Funding 5¼pc '78-80‡‡ | 79⅛xd | ...... | 6.60 | 10.58 |
| 75½ | 66⅛ | Treasury 3½pc '79-81 | 72¼ | ...... | 4.87 | 10.07 |
| 91⅛ | 72⅞ | Do 8½pc '80-82‡‡ | 88⅛ | +¼ | 9.98 | 11.76 |
| 104⅛ | 86⅝ | Treasury 12pc 1983‡‡ | 100 | +¼ | 12.26 | 12.41 |
| 78 | 58 | Funding 5½pc '82-84‡‡ | 72⅞ | ...... | 7.75 | 10.72 |
| 85¼ | 61⅞ | Treasury 8½pc '84-86‡‡ | 81⅛ | ...... | 10.89 | 12.14 |
| 73¼ | 51⅞ | Funding 6½pc '85-87‡‡ | 66⅝xd | ...... | 9.19 | 11.81 |
| 76¼ | 53 | Treasury 7¾pc '85-88‡‡ | 71⅞ | ...... | 11.24 | 12.74 |
| 46⅛ | 32⅞ | Transport 3pc '78-88 | 41¼ | ...... | 7.39 | 12.18 |
| 55¼ | 39⅜ | Treasury 5pc '86-89 | 50⅛ | −⅛ | 10.07 | 12.70 |
| | | **Over Fifteen Years** | | | | |
| 75½ | 53¼ | Treasury 8¼pc '87-90‡‡ | 66⅝xd | ...... | 12.28 | 13.36 |
| 55¾ | 41⅜ | Funding 5¾pc '87-91‡‡ | 51 | ...... | 11.44 | 13.37 |
| 97½ | 89½ | Treasury 12½pc '93‡‡ | 90¼ | ...... | 14.22 | 14.39 |
| 54½ | 40½ | Funding 6pc 1993‡‡ | 48¾ | ...... | 12.59 | 13.98 |
| 75¼ | 54⅛ | Treasury 9pc '94‡‡ | 64¾xd | ...... | 13.92 | 14.46 |
| 34⅞ | 24¾ | Gas 3pc '90-95 | 30¼xd | ...... | 9.97 | 12.72 |
| 102 | 75 | Treasury 12¾pc '95‡‡ | 88 | ...... | 14.52 | 14.63 |
| 71⅛ | 54¼ | Treasury 9pc '92-96‡‡ | 65⅛ | ...... | 14.18 | 14.62 |
| 32¾ | 26½ | Redp. 3pc '86-96 | 29¾ | ...... | 10.22 | 12.61 |
| 69⅞ | 53¼ | Treasury 8¾pc 1997‡‡ | 63⅛ | ...... | 14.30 | 14.68 |
| 59⅞ | 40¾ | Treasury 6¾pc '95-98‡‡ | 49 | ...... | 13.88 | 14.51 |
| 75⅝ | 54¼ | Treasury 9½pc 1999‡‡ | 69 | ...... | 14.45 | 14.71 |
| 31⅞ | 22 | Funding 3½pc '99-04 | 28⅛ | ...... | 13.01 | 13.78 |
| 61⅞ | 47 | Treasury 8pc '02-06‡‡ | 56 | ...... | 14.55 | 14.67 |
| 42⅞ | 33 | Treasury 5½pc '08-12‡‡ | 39⅛ | ...... | 14.46 | 14.56 |
| 59⅞ | 43⅛ | Treasury 7¾pc '12-15‡‡ | 55⅛ | ...... | 14.71 | 14.74 |
| | | **Undated** | | | | |
| 29¾ | 22⅛ | Consols 4pc | 27½ | +⅛ | 15.21 | — |
| 27⅜ | 20⅛ | War Loan 3½pc‡‡ | 23⅝xd | +⅛ | 14.80 | — |
| 27½ | 22⅜ | Conv. 3½pc '61 Aft. | 24⅞ | +⅛ | 14.34 | — |
| 22 | 17½ | Treasury 3pc '66 Aft. | 20⅛ | +⅛ | 15.19 | — |
| 18¼ | 14¼ | Consols 2½pc | 16⅞ | +⅛ | 15.15 | — |
| 18⅛ | 14½ | Treasury 2½pc | 16¼ | +⅛ | 15.23 | — |

## **INTERNATIONAL BANK

| 1975 High | 1975 Low | Stock | Price £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| 66¼ | 58 | 5pc Stock '77-82 | 65½ | +¼ | 7.80 | 12.70 |
| 96¼ | 91½ | 8pc Stock 1976 | 96 | ...... | 8.33 | 11.65 |

## **CORPORATION LOANS

## COMMONWEALTH & AFRICAN LOANS

## LOANS (MISCEL.)

## FOREIGN BONDS & RAILS

## AMERICANS

## CANADIANS

S.E. List Premium 75⅝% (based on $2.3815 per £)

Conversion factor 0.5351 (0.5579)

## ††BANKS AND HIRE PURCHASE

### Hire Purchase, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER & ROADS

## BUILDING INDUSTRY—Continued

## CHEMICALS, PLASTICS

## CINEMAS, THEATRES AND TV

## DRAPERY AND STORES

## DRAPERY AND STORES—Continued

## ELECTRICAL AND RADIO

## ENGINEERING, MACHINE TOOLS

## ENGINEERING—Cont.

## FOOD, GROCERIES, ETC.

## HOTELS AND CATERERS

## HOTELS—Continued

## INDUSTRIALS (Miscel.)

مكتبة الأصيل



INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

| High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 8 | 3 | Burma Mine 17½p | 9m | +½ | m0.5 | — | 1.7 |
| 52 | 17 | Charterhall 5p | 49½ | −½ | — | — | — |
| 115 | 75 | Colby Mines $1 | 75# | ...... | — | — | — |
| 730 | 360 | Cons. Murch. 10c | 685 | +25 | Q130c | 2.2 | 12.2 |
| 53½ | 29½ | Lucrasia | 39½ | ...... | — | — | — |
| 19 | 13 | NRD $1 | 16 | ...... | — | — | — |
| 575 | 200 | Northgate C$1 | 330 | ...... | Q65c | 1.0 | 8.5 |
| 211 | 80 | R.T.Z. | 208 | −2 | 19.9 | 4.4 | 3.7 |
| 135 | 47½ | Sabina Inds. C$1 | 110 | ...... | — | — | — |
| 70 | 51 | Stanford Mines 8 | 62 | ...... | — | — | — |
| £12½ | 875 | Tara Explo. $1 | £11⅛ | ...... | — | — | — |
| 75 | 38 | Yukon Cons C$1 | 67 | ...... | — | — | — |

## NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers adjusted to corporation tax of 52 per cent. on imputation system and 35 per cent. ACT. P/Es calculated on "net" distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on increased ACT, are based on middle prices, are gross and allow for value of declared distributions and rights.

Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ◆ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♠ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 25

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FINANCIAL TIMES

Wednesday May 21 1975

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# Dell gives warning on loss of funds

By Nicholas Colchester in Bonn and William Keegan in London

A WARNING that foreign lenders would withdraw their funds from the U.K. if the country fails to come to grips with inflation was given yesterday by a Treasury Minister in one of the most outspoken comments yet made by the Government on the economic situation.

The prospect was raised by Mr. Edmund Dell, Paymaster General, in a speech during which he also said bluntly that: "The Government must bring public expenditure under better control because it is at present making too great a demand on the total resources of the country."

Mr. Dell's speech — to the National Union of Mineworkers Summer School in Stoke—came on a day when union leaders were themselves developing the theme of the dangers attached to excessive pay rises, in advance of the TUC Economic Committee's meeting with the Chancellor to-day.

## Backed

Mr. Len Murray, TUC general secretary, told the National Union of Public Employees—who backed a 33½ per cent. pay increase demand on Monday: "There is a growing view that 30 per cent. is the going rate and that there will be more on top of that, but in that direction there lies trouble and there lies danger for our society and for our class of people."

"What sort of sense is there to go on escalating?" Mr. Murray asked. "What do you solve to double wages overnight? There will be no real increase there, and you know it."

Reactions to the specific proposals by Mr. Jack Jones, general secretary of the Transport and General Workers, for a flat rate limit on wage increases—geared to increases in the cost of living—have varied from the Treasury's "showing interest" to a promise yesterday by Mr. Michael Foot, Secretary for Employment, that "of course we will give careful and urgent attention to this idea."

Amplifying the Government's concern about wage inflation, Mr. Dell said that "if, nevertheless, excessive wage claims are pressed, prices must immediately respond to the increased costs."

He warned: "There can be no question of the taxpayer covering the cost, particularly in the energy industries. Coal is too vulnerable. Already much of the headroom which coal gained over oil in 1973 has been eroded. We must not allow the industry's bright future to be clouded by excessive cost increases."

Echoing the Government's acute embarrassment about the size of its own financial deficit, Mr. Dell conceded that the Government "may not be able to raise sufficient funds" from private sources at home "even if it was prepared to drive up interest rates beyond acceptable levels.

"In this case it has to borrow from the banks, almost as if on overdraft. This is where the problems start. This method of finance enables the public authorities to settle their bills, but it tends to leave a corresponding flood of cash and bank deposits in the economy. It is known figuratively as resorting to the printing press."

These are the sort of words one would normally expect to hear only from the Opposition or an outside observer, rather than a Minister.

# Middle view on EEC decisive—Wilson

BY JOHN BOURNE, LOBBY EDITOR

THE PRIME MINISTER last night continued his more assertive approach to the case for Britain staying in the Common Market, when he addressed the CBI's annual dinner.

He argued that in 1974, the EEC had taken more than one-third of Britain's exports—more than the rest of Western Europe and North America put together.

In the most recent quarter, the value of our exports to the EEC had increased by four per cent. over the previous three months when exports to North America had fallen by 5.5 per cent. The fall in exports to Australia, New Zealand, South Africa and Japan taken together was 9.5 per cent.

"So in what I have said about the EEC there are hopeful signs of buoyancy with our exports."

Mr. Wilson made it clear that he was placing his trust in the referendum not on the dedicated "pro-Marketeers" but on the large body of opinion which was less doctrinally committed but was ready to be favourable to Britain remaining in the Market.

"It will be their voice which will be decisive in the referendum," said Mr. Wilson. "It is above all to that significant body of opinion that I have been and shall be particularly directing my arguments during this campaign on TV and radio as well as in the half-a-dozen or more further meetings I shall be holding.

"That is also the approach of the Foreign and Commonwealth Secretary, whose masterly conduct of the renegotiations, and whose knowledge of the Market as it really is, gives him an unrivalled authority in the conduct of this great national debate."

Mr. Wilson thought that middle opinion would especially regard as the touchstone for their judgment not the legal construction of the EEC, the treaties, the juridicial powers and functions of the Commission—but how the Market was working in down-to-earth terms.

"These should include the operation of the Common Agricultural Policy — now the subject of a fundamental stock-taking—the control of budgetary expenditure in the Market and the functioning of the Commission.

"The pragmatic British are far from being alone in wishing reform. Our views are widely shared in the Community, particularly by the Federal German Chancellor.

He argued that to-day the Market was functioning as an essentially practical organisation, important individual national responve to the claums of vitally interests.

"It is significant that there are many in all three groups that I have mentioned—pro-Marketeers, anti-Marketeers and the doctrin- there are reforms long overdue. ally uncommitted—who feel that there are reforms long overdue.

Finally, Mr. Wilson appealed to all participants in the referendum campaign not to claim "in the hubris of the hustings" that either remaining in the Market or leaving it would solve Britain's economic problems.

"The fault, and therefore our solution, lies not in European stars—in or out—but from now on in ourselves.

"But I am clear that Britain's prospects of solving our own problems . . . will be made immeasurably more difficult, in the circumstances we have to live with, if the British people vote for the severance of Britain from the Community."

Referendum news, Page 11

# BSC 'to make best' of pact with TUC steel committee

BY HAROLD BOLTER, INDUSTRIAL EDITOR

THE BRITISH Steel Corporation's management yesterday made it clear it intends to make the best of the agreement it reached with the TUC steel committee on Monday and that it does not regard the deal as a defeat for its cost-saving plans.

Works group directors at all of the BSC's plants were told that they are to notify Mr. Gordon Sambrook, managing director responsible for personnel, of what action they have taken to implement the agreement by the week-end.

Before then, they have been told to call meetings with local union officials to inform them of the measures the Corporation wants to introduce.

First, all overtime for staff, process and craft personnel is to be reduced to "insignificant" levels in all plants and, where possible, totally eliminated.

Works managers have been told to keep a record of the steps they have taken to reduce overtime and how successful they have been.

Second, local managements have been told they are to take the initiative in dealing with individual cases involving chronic absenteeism and in cutting down the labour pools which have been established to cope with the present level of absenteeism.

Works managers have also been warned that recruitment into the BSC is only to take place in really exceptional cases—and the effect of this could be very important.

## Turnover

Although the Corporation would not be expected to recruit at the moment, because of the serious effects of the steel demand recession, it might be expected by the unions to replace workers who leave the industry.

Under the agreement reached on Monday, this replacement is not automatic and, with the labour turnover within the BSC averaging 20 per cent. a year at present (or over 40,000) this could be very important to the management's plans to reduce manning levels.

The BSC management is convinced that the agreement reached with the unions on Monday provides the Corporation with considerable scope for cutting costs, possibly by as much as £100m. a year.

It was also emphasised yesterday that Sir Monty has no intention of resigning from the Chairmanship of the BSC, although his plans for dismissals involving some 22,000 workers have been abandoned.

**Our Labour Staff writes:** Steelworkers appeared more than ready yesterday to accept the proposed solution to the Corporation's immediate crisis.

Mr. Bill Sirs, incoming general secretary of the Iron and Steel Trades Confederation, said he foresaw little difficulty in persuading his 80,000 BSC members to follow the recommendations.

Editorial Comment, Page 18
News Analysis, Page 8

# Unit trust sales brisker

BY CHRISTOPHER HILL

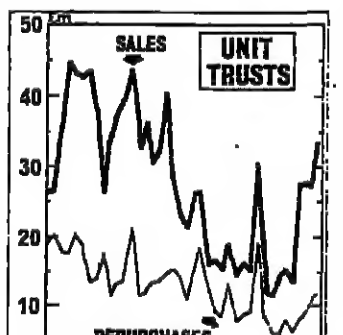
THERE WAS a substantial rise in unit trust gross sales last month to a total of £33.9m., up from £27.1m. in March. At both the gross and net levels, sales are now at their highest since June, 1973.

The main impetus seems to have been the more optimistic state of the stock market. The F.T. All Share Index rose by 15 per cent. during April.

Managers were pleased by the relatively low level of repurchases as a percentage of sales. Repurchases rose by only £0.7m. to £11.9m., so that net new investment was up from £15.8m. to £21.9m.

Income funds are still the most popular type of unit trust, but several managers of large funds report that they are having trouble maintaining yields at an attractive level when markets are rising.

Unit trust managers generally are surprised at the way people go on wanting high income, and watch with envy the success of the building societies in attracting new money. Several point out that since most forms of saving and investment seem to be doing well, the obvious inference is that a lot of it is new money coming from recently inflated incomes.




Share exchange schemes—where a share portfolio is exchanged for units—are also doing well.

Overall, net new investment is running at three times the level for April, 1974, and the value of funds under management is now £2.23bn. compared with £1.94bn. in March and £1.95bn. at this time last year. The new total is comparable to the industry position in November, 1973.

The April figures include the initial offer of the TSB Scottish unit trust which was launched in March, but it is unlikely that this would have had any material influence on the total.

For the first four months of the year, the cumulative figure for the new investment is £76m compared with £27m. for the same period of 1974. This is only £10m. less than for the first four months of 1973. But the number of unitholders' accounts shows a marginal decline to 2.208m.

# France calls for EEC link with $

BY REGINALD DALE

BRUSSELS, May 20.

FRANCE TO-DAY called for the creation of a link between the dollar and the jointly floating West European currency "snake" to ease the way for the full reintegration of the French franc in the "snake" system.

The aim would be to set a so-called "EEC level" for the dollar so as to avoid an erosion of the competitive position of French and other Community exports if the "snake" climbed too high against the American currency.

Meanwhile, pending the formal return of the franc to the joint float, the French currency would in practice be kept within the "snake" on a de facto basis, M. Jean-Pierre Fourcade, the Finance Minister, told his colleagues at to-day's EEC Council meeting here. President Giscard d'Estaing announced France's intention of returning to the system earlier this month.

To-day, M. Fourcade said his Government wanted further studies of two other aspects of the "snake's" operations—in addition to a possible link with the dollar—before the franc was formally reincorporated.

## Changes

These were that there should be changes in the intervention rules so as to ensure that the burden of support did not fall too heavily on the weakest currencies, and alternations in the system of settlement. France apparently wants the monthly repayment period extended.

While the other countries seemed to feel that the last two requests might be fairly easy to fulfil, the link with the dollar may run into opposition from other EEC governments.

Herr Hans Apel, the German Finance Minister, said he foresaw considerable difficulties in setting an "EEC level" for the dollar, and officials said that at least some Community governments would probably want consultations with Washington before any move was made. Fears were also expressed that such a move might involve a return to the old "snake in the tunnel" system of more fixed exchange rates that the Community had abandoned as impracticable.

More generally, the "non snake" countries—Britain, Italy and Ireland—also expressed concern that nothing should be done to make their eventual return to the system more difficult.

The French proposals, which M. Fourcade was careful not to present as "preconditions" for the franc's return, will now be studied by the Community's central bank governors and experts from the countries that are full "snake" members—Germany, Benelux and Denmark. Ministers will discuss the issue again at their Council meeting on June 16.

## Swiss franc

A decision on whether the Swiss franc should be admitted to the "snake" was put off until the June meeting.

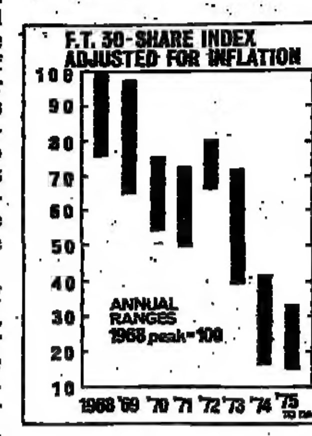
In their formal EEC Council session, the Nine agreed on a proposal for new IMF quotas that they will put forward in Ministerial negotiations on international monetary reform in Paris this month.

Under the Community's proposal, the total quota of the EEC countries would be set at 28.65 per cent., and the U.S. quota reduced from its present 22.95 per cent. to 19.59 per cent. The British quota would be reduced from 9.59 per cent. to 7.96 per cent.

THE LEX COLUMN

# Woolworth beats the Budget

## Index rose 2.1 to 355.9




The first half of this year is going to produce some very strange looking stores results, with wages and rates rocketing, but a firm trend in sales with a huge Budget-beating April bulge for those retailers in the relevant sales areas. To kick off with, Woolworth's first quarter—running to April 30—has actually produced a pre-tax improvement from £4.67m. to £4.98m. although the market has been prepared for a sharp downturn in the early months of the year thanks to the impact of the January staff award.

The key lies in a sales rise of 33 per cent. for the quarter, against maybe 25 per cent. for the stores sector in the same months, reflecting the way Woolworth has been making up for a poor first quarter last time. Within the total, it looks as though the April gain was at least 35 per cent., with the spree rubbing off even to goods outside the luxury VAT bracket. So a £5m. sales windfall could have meant around £1.5m. extra pre-tax, with the gross margin coming through almost unscathed on the unbudgeted volume.

So far in May sales have continued to show growth of near 30 per cent., so perhaps fears of a second quarter hangover should not be overdone. At this stage the group is ahead of its budget which, as already disclosed, projects some improvement in profits this year. But there is no hope of any increase in the dividend, so a yield of 11.7 per cent. at 50½p, up 4p yesterday, is not the strong point it might appear.

See also page 25

## Every Ready

Ever Ready's results are a pleasant surprise with 1974-75 profits just 6 per cent. lower pre-tax on a comparable basis after a decline of a quarter during the opening six months. That put the shares up 8p to 93p yesterday—despite the £8.4m. rights statement, the bland tones of which follow a pattern seen so many times over the past month or so. Chloride provides the right touch of contrasting irony here; it had to struggle to raise £7m. in unfavourable market conditions last year on a ticket that was much more expansion-minded than ER's future plans.

In fact, ER tends to concentrate more on the past than the future, citing the £32½m. it has spent on capital account since 1968. But net cash flow over the period has not lagged too far behind this, and ER's spending is coming down with a bump once this year's £5.4m. (against 1974-75 net cash flow of £6.5m.) is out of the way. Thus ER really needs its rights cash to take the pressures off short-term debt ratios. Year-end stocks are something like £17½m. higher at £41m.—if coming down currently—and this has pushed net borrowings—up some £14m. to £32m., or roughly in line with tangible shareholders funds. At least ER is not worried about earnings trends this year after a "sticky" current half.

See also page 25

## House prices

A grim message for the housebuilders can be gleaned from yesterday's official statistics showing an annual rise of just 6 per cent. in the price of new houses during the first quarter of 1975. In the same three months of 1974, the average price of a new house in the U.K. was just over £11,000, and the average price per plot of building land was £2,700. Since then, housebuilding costs have risen by 23 per cent.—and since profits per unit could have been running at no more than a few hundred pounds a year ago, the modest rise in sales prices points to sizeable losses at the present time. It seems hard to reconcile this with the Nationwide Building Society's calculation that land values were only fractionally down in the period.

But the official statistics may be understating the rate of price inflation, for a fair number of builders at the lower end of the market claim to have increased their prices by 15 per cent. or more in the last few months. Most groups have already taken part of their medicine in the shape of substantial balance-sheet write-downs, and the stock of unsold houses has fallen by over a third since last autumn. Meanwhile, although house prices still represent a higher multiple of purchasers' income than they did in 1972, the figure has been easing back steadily since late 1973.

The real message of the price statistics, then, is simply that housebuilders are not yet out of the wood even though seasonally adjusted starts in the first quarter were 54 per cent. up on the last three months of 1974. In particular, whereas the balance-sheets of the financially stretched groups have yet to receive tangible support from higher land prices, their creditors might be starting to feel a little less chary about pulling out the plug.

This thought has helped to pull the sector quite sharply back from earlier price peaks. But in some instances the sound have come back with the shaky — even though they will be around to enjoy price jumps which must come before very much longer.

## Coalite

Coalite and Chemical's volume sales were little changed last year—a tenth of solid fuel capacity remains mothballed at Grimethorpe — but thanks to successive price rises, turnover climbed 61 per cent. and pre-tax profits, already beating the 1973-74 total at the half-way mark with £3.77m., have exceeded expectations by reaching £9.6m. The chemicals side has joined in the general buoyancy. With Coalite prices up again on April 1 the outlook must be fair this year so long as the current strike at the Yorkshire plant does not last too long. But with the shares at a new 1975 high of 24½p the yield of 3.8 per cent. could become a handicap. The current value of the Siebens stake looks to be about 3p a share; any call for cash here will not disturb Coalite, currently very liquid.

See also page 25

# Lever for Bonn talks on economy

MR. HAROLD LEVER, the Prime Minister's special financial adviser, is expected to arrive in Bonn this evening for talks with Chancellor Helmut Schmidt and Finance Minister Hans Apel. The three will discuss general economic and currency questions.

It was stated officially in London and Bonn that Mr. Lever is not going to Germany with any specic request. The German Government spokesman on economic matters, Herr Armin Gruenewald, explained that the trip was the result of a long-standing invitation dating back to the day last November when the German Chancellor addressed the Labour Party Congress.

The fact remains that the meeting will take place in the shadow of Britain's Common Market referendum and with sterling under conspicuous pressure on the foreign exchange markets. It will be surprising if these facts do not provide a nucleus for to-morrow's discussions.

Any talk of currency problems and the ramifications of petro-dollar recycling seems likely to lead to discussion of the outlook for the pound and on Britain's potential need for credit, given a further collapse in confidence in this currency.

Continued from Page 1

# Chrysler strike

"What they say to me in effect is: 'We have been brought up to respect Government, we have been brought up to respect and to obey the law, we have been brought up to respect our fellow men. But we see that success often goes to those who threaten Government and we see a Government of which at least part appears to consider that we are expendable.

'Is the time coming when, Government or no Government, law or no law, we should rebel and look after ourselves'?"

Said Mr. Bateman: "It is sad that the national propensity of British people to obey the law should be so stretched towards its breaking point; but is this result surprising? Surely not."

Mr. Bateman also insisted that a great deal of the responsibility for U.K. industry's failure to be more successful "rests upon the shoulders of our successive Governments.

"It is their vacillations, their frequent and unforeseeable vacillations, in policy and their irresponsible and, indeed sometimes vindictive, tax policies which have been the despair and the ruin of U.K. industry."

Britain needed a long, cool look at the overall tax system and a Royal Commission should be appointed sooner rather than later.

He ended with the hope that after the EEC referendum "we may all make a new start. We would like to see the past put behind us; we would like to see Government, workers, trade unions and managers come out of their entrenched positions and unite in a true and non-political regeneration of British industry.

"It would have to be based upon all doors being open to individual ability, co-operation by everybody in a company to ensure proper respect for each worker and a joint commitment to profitable achievement, the abandonment by managers and workers of any habits or traditions which stand in the way of efficiency, progress and competitiveness in world markets, the provision to each of full information about the company and its position and the acceptance by each of a proper degree of responsibility for results."

# Weather

U.K. TO-DAY

MAINLY DRY. Rather cloudy.

**London, S.E. England, E. Anglia**
Dry, rather cloudy, some sunny intervals. Wind N., moderate. Max. 14C (57F).

**Cent. S. and Cent. N. England, Midlands**
Dry. Broken cloud and sunny intervals. Wind N., light. Max. 14C (57F).

**Channel Is., S.W. England**
Mainly dry, cloudy at first, sunny spells developing. Wind N., light. Max. 16C (61F).

**Wales, N.W. England**
Dry. Sunny periods. Wind N., light. Max. 15C (59F).

**Lakes, Is. of Man, S.W. Scotland, Glasgow, N. Ireland**
Dry, sunny periods, overnight frost in places. Wind N., light. Max. 14C (57F).

**E. and N.E. England, Borders, Edinburgh, Dundee, Cent. Highlands**
Rather cloudy. A few showers. Wind N., moderate. Max. 11C (52F).

**Argyll, N.W. Scotland**
Dry, sunny periods, overnight frost in places. Wind N., light. Max. 12C (54F).

**Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland**
Broken cloud and sunny intervals, scattered showers. Wind N., moderate. Max. 9C (48F).

**Outlook:** Sunny spells. Perhaps showers over E. and S.E. England.

**Lighting-up:** London 21.23, Manchester 21.41, Glasgow 22.01, Belfast 22.01.

BUSINESS CENTRES

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Alexandria. | S | 24 | 75 | Luxembg. | S | 19 | 66 |
| Amstrdm. | S | 17 | 63 | Madrid | C | 17 | 63 |
| Athens | S | 28 | 82 | Manchstr. | F | 20 | 68 |
| Bahrain | S | 33 | 91 | Melbourne | C | 19 | 66 |
| Barcelona | C | 18 | 65 | Milan | S | 29 | 84 |
| Beirut | F | 23 | 73 | Montreal | S | 29 | 84 |
| Belfast | C | 15 | 59 | Moscow | S | 22 | 72 |
| Belgrade | S | 28 | 82 | Munich | F | 21 | 70 |
| Berlin | C | 13 | 55 | Newcastle | C | 16 | 61 |
| Birmingham. | S | 19 | 66 | New York | S | 29 | 84 |
| Bristol | S | 20 | 68 | Oslo | C | 15 | 59 |
| Brussels | S | 19 | 66 | Paris | S | 21 | 70 |
| Budapest | T | 27 | 81 | Perth | R | 20 | 68 |
| B. Aires | C | 15 | 59 | Prague | C | 15 | 59 |
| Cairo | S | 29 | 84 | Reykjavik | S | 9 | 48 |
| Cardiff | S | 19 | 66 | Rio de J'o | S | 25 | 77 |
| Cologne | S | 19 | 66 | Rome | S | 27 | 81 |
| Copnhagn. | F | 16 | 61 | Singapore | S | 31 | 88 |
| Dublin | F | 18 | 64 | Stockholm | S | 19 | 66 |
| Edinb'gh | C | 15 | 59 | Strasb'rg | S | 20 | 68 |
| Frankfurt | S | 18 | 64 | Sydney | Sm | 24 | 75 |
| Geneva | F | 24 | 75 | Tel Aviv | S | 22 | 72 |
| Glasgow | C | 14 | 57 | Tokyo | S | 18 | 64 |
| Helsinki | S | 22 | 72 | Toronto | C | 23 | 73 |
| H. Kong | C | 24 | 75 | Vienna | F | 21 | 70 |
| Jo'burg | S | 21 | 70 | Warsaw | C | 13 | 55 |
| Lisbon | C | 18 | 64 | Zurich | F | 19 | 66 |
| London | S | 20 | 68 | | | | |

HOLIDAY RESORTS

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 24 | 75 | Jersey | S | 18 | 64 |
| Algiers | S | 32 | 90 | Las Palms. | S | 21 | 70 |
| Biarritz | F | 22 | 72 | Locarno | S | 26 | 79 |
| Blackpool | F | 16 | 61 | Majorca | C | 20 | 68 |
| Bordeaux | F | 26 | 79 | Malaga | C | 19 | 66 |
| Boulogne | F | 18 | 64 | Malta | S | 23 | 73 |
| Casablnca. | C | 19 | 66 | Nairobi | S | 21 | 70 |
| Cape Town | S | 20 | 68 | Naples | S | 27 | 81 |
| Corfu | S | 25 | 77 | Nassau | S | 18 | 64 |
| Dubrovnik | S | 25 | 77 | Nice | S | 25 | 77 |
| Faro | S | 18 | 64 | Oporto | C | 18 | 64 |
| Florence | S | 29 | 84 | Rhodes | F | 23 | 73 |
| Funchal | C | 20 | 68 | Salzburg | S | 22 | 72 |
| Gibraltar | C | 16 | 61 | Tangier | R | 15 | 59 |
| Guernsey | S | 15 | 59 | Tenerife | F | 16 | 61 |
| Innsbruck | T | 25 | 77 | Tunis | S | 24 | 75 |
| Inverness | S | 13 | 55 | Valencia | C | 21 | 70 |
| I. of Man | C | 14 | 57 | Venice | S | 28 | 82 |
| Istanbul | S | 18 | 64 | | | | |

S—Sunny. F—Fair. C—Cloudy. R—Rain. T—Thunder. Sm—Smoky.

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